



**Washington State Gambling Commission
Study Session Agenda
Charitable Nonprofit Operators
September 14, 2006
9:30 – 10:00 a.m.**

- Rules Simplification Project (RSP):
 - Project Schedule
- New Rule Proposals:
 - WAC 230-20-059 Minimum Cash Flow Requirements - WCCGA Petition
 - WAC 230-20-055 Use of Proceeds by Charitable or Nonprofit Organizations – Seattle Jaycees Petition
 - WAC 230-04-202, WAC 230-04-203, WAC 230-04-204 Fees
 - WAC 230-50-562 Final Orders – Petitions for Reconsideration of a Final Order
- Consistency Questions
 - House Rules at Bingo Games
 - Bingo Card Pricing
- Consistency Questions (for next meeting)
- Agency Request Legislation Update
 - Barring Known Criminals
 - Minimum Age for Gambling
- Open Discussion

**The next Study Session will be held on October 12, 2006
At the Inn at Gig Harbor Hotel in Gig Harbor**



**Washington State Gambling Commission
Study Session Agenda
Commercial Operators
September 14, 2006
10:00 a.m. – Noon**

- Rules Simplification Project
 - Project Schedule
 - Chapter 15 Card Room Rules
- Responses to Questions From Previous Study Session
 - Mitigating circumstances for 2nd underage gambling violation
 - Burden on Licensees of proposed HBCR tip rule revision
 - Proposed tip rule revision does not address tips received from Poker
 - Information submitted by licensees
- New Rule Proposals
 - WAC 230-40-855 Acceptance of tips from patrons for house-banked activities
 - WAC 230-04-190 Two-part Payment Plan
 - WAC 230-04-202, WAC 230-04-203, WAC 230-04-204 Fees
 - WAC 230-40-825 Closed Circuit Television System – HBCR – Leading Edge Petition
 - WAC 230-50-562 Final Orders – Petitions for Reconsideration of a Final Order
- Consistency Questions (for next meeting)
- Agency Request Legislation Update
 - Barring Known Criminals
 - Minimum Age for Gambling
- Commission Meeting Agenda
- Open Discussion

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AMENDATORY SECTION:

WAC 230-20-059 Temporary Moratorium for Complying with Minimum cash flow requirements for bingo games--Contributions to stated purpose -- Sanctions.

In order to study the possible impacts of factors beyond a charitable/nonprofit license's control which may affect its ability to meet the minimum cash flow requirements for bingo games, and requirements set forth in this rule, the commission imposes a moratorium on the adjusted cash flow requirement as set forth below.

Bingo shall be conducted only as a social pastime or for fund-raising to support the stated purpose(s) of a charitable or nonprofit organization. Organizations licensed to conduct bingo games shall comply with the following procedures and limitations:

Contributions.

(1) To ensure that organizations licensed to conduct bingo games meet the intent of RCW 9.46.010 and provide funds adequate to promote charitable and nonprofit programs, such organizations shall not allow their bingo operation to award prizes or pay expenses to conduct bingo games that are excessive and all capital expenditures for the bingo operation that exceed six thousand dollars shall be specifically approved by the governing board.

An organization licensed to conduct bingo games shall ensure that the adjusted cash flow from the bingo operation available for its charitable and nonprofit programs is at least the following amount during each calendar year:

- (a) For gross receipts above \$1,500,000 up to \$2,500,000 - 3% of gross receipts over \$1,500,000;
- (b) For gross receipts above \$2,500,000 up to \$3,500,000 - \$30,000 plus 4% of gross receipts over \$2,500,000;
- (c) For gross receipts above \$3,500,000 up to \$4,500,000 - \$70,000 plus 5% of gross receipts over \$3,500,000; and
- (d) For gross receipts above \$4,500,000 - \$120,000 plus 6% of gross receipts over \$4,500,000.
- (e) If the licensee does not operate for a full year, the requirements shall be prorated based on full quarters operated.

Definitions.

- (2) The following definitions shall apply to this section:

(a) "Gross receipts" shall mean the combined gross gambling receipts from bingo, pull-tab and punch board activities.

(b) "Adjusted cash flow from the bingo operation" shall mean the combined gross income of the bingo operation less all prizes and expenses, whether paid or accrued. For the purposes of computing expenses, depreciation or amortization, shall not be considered an expense of the bingo operation.

(c) "Bingo operation" shall mean bingo games and all associated activities conducted in conjunction with bingo games at the same location including punch boards, pull-tabs, snack bar, retail sales activities, rental of the bingo premises and drawings authorized under WAC 230-20-242.

Sanctions for failing to maintain a positive adjusted cash flow.

(3) To ensure a licensee maintains a positive cash flow and is not operating primarily for gambling purposes, adjusted cash flow shall be measured quarterly. If a licensee does not maintain a positive cash flow from the bingo operation during any two consecutive calendar quarters, measured independently, the director shall summarily suspend the organization's bingo license. However, during the moratorium period, this section will not be enforced.

Sanctions for failing to meet adjusted cash flow requirements - relief.

(4)(a) If a bingo licensee fails to meet the adjusted cash flow requirements of subsection (1) of this section for any calendar year, administrative action shall be taken to revoke the organization's bingo license: Provided, That if a licensee fails to meet the minimum adjusted cash flow requirements for any calendar year and has maintained a positive cash flow as required by subsection (3) of this section. The director shall automatically grant relief allowing a twenty-five percent reduction to the annual dollar amount of required adjusted cash flow in subsection (1) of this section, for the year in which the licensee is out of compliance, however, during the moratorium period, this section will not be enforced;

(b) No organization granted relief under (a) of this subsection, shall be eligible to receive relief for any of the four calendar years following the calendar year for which the relief was granted, however, during the moratorium period, this section will not be enforced; and

(c) Relief may be granted under (a) of this subsection for the calendar year beginning January 1, 2003. However, during the moratorium period, this section will not be enforced.

(5) The moratorium as set forth in this section applies to licensees with measurement periods ending December 31, 2006, and thereafter to the end of the moratorium. The

moratorium will conclude December 31, 2007, or on such date to be determined by the commission. The moratorium applies only to those licensees meeting the requirements set forth in subsection (1) of this section. It does not apply to any other licensee requirements.

WAC 230-20-055

Use of proceeds from authorized activities by charitable or nonprofit organizations.

All net income from gambling activities must be used exclusively to the lawful purposes of the organization.

All proceeds remaining after paying the necessary expenses of operating an activity authorized by RCW 9.46.0311 shall be used by the organization conducting the activity only for those purposes which are set out in RCW 9.46.0209 and as it may be amended and, if a commission licensee, only for those purposes disclosed to the commission in the application for a license.

[Statutory Authority: RCW 9.46.070. 96-07-076, § 230-20-055, filed 3/19/96, effective 7/1/96; Order 53, § 230-20-055, filed 5/25/76; Order 23, § 230-20-055, filed 9/23/74.]

Charitable or nonprofit organization fees.

Bona fide charitable and nonprofit organizations must pay the following fees to us when applying for gambling licenses, permits, miscellaneous changes, or inspection services:

1. Amusement games

License	Annual Gross Gambling Receipts	Fee
Class A	Premises only	\$54 <u>\$55</u>
Class B	Up to \$10,000	\$54 <u>\$55</u>
Class C	Up to \$25,000	\$294 <u>\$303</u>
Class D	Up to \$50,000	\$472 <u>\$487</u>
Class E	Over \$50,000	\$822 <u>\$848</u>

2. Bingo

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to \$25,000	\$54 <u>\$55</u>	\$1,000
Class B	Up to \$75,000	\$174 <u>\$176</u>	\$1,000
Class C	Up to \$150,000	\$350 <u>\$361</u>	\$2,000
Class D	Up to \$350,000	\$944 <u>\$974</u>	\$4,000
Class E	Up to \$650,000	\$1,500 <u>\$1,642</u>	\$8,000
Class F	Up to \$1,500,000	\$3,196 <u>\$3,304</u>	\$15,000
Class G	Up to \$2,000,000	\$4,612 <u>\$4,766</u>	\$23,000
Class H	Up to \$3,000,000	\$6,162 <u>\$6,370</u>	\$30,000
Class I	Up to \$4,000,000	\$7,700 <u>\$7,960</u>	\$38,000
Class J	Up to \$5,000,000	\$9,238 <u>\$9,550</u>	\$45,000
Class K	Up to \$6,000,000	\$10,364 <u>\$10,714</u>	\$53,000
Class L	Up to \$7,000,000	\$11,846 <u>\$12,246</u>	\$60,000
Class M	Up to \$8,000,000	\$13,330 <u>\$13,780</u>	\$65,000
Class N	Up to \$9,000,000	\$14,500 <u>\$14,990</u>	\$70,000
Class O	Up to \$10,000,000	\$16,000 <u>\$16,540</u>	\$75,000
Class P	Up to \$11,000,000	\$17,500 <u>\$18,090</u>	\$80,000
Class Q	Up to \$12,000,000	\$21,000 <u>\$21,708</u>	\$85,000
Class R	Up to \$13,000,000	\$24,000 <u>\$24,810</u>	\$90,000
Class S	Up to \$14,000,000	\$27,000 <u>\$27,912</u>	\$95,000

*See chapter 230-06 WAC, Exceeding license class.

3. Card games

License	Description	Fee
Class A	Nonhouse-banked - fee to play	\$589 <u>\$608</u>
Class B	Limited card games - hearts, rummy, pitch, pinochle, and cribbage - fee to play	\$474 <u>\$176</u>
Class C	Tournament only - no more than	\$54 <u>\$55</u>

Class S	Up to \$6,000,000	\$17,000 <u>\$17,574</u>	\$60,000
Class T	Up to \$7,000,000	\$19,000 <u>\$19,642</u>	\$70,000
Class U	Up to \$8,000,000	\$21,000 <u>\$21,708</u>	\$80,000
Class V	Over \$8,000,000	\$23,000 <u>\$23,776</u>	\$80,000

*See chapter 230-06 WAC, Exceeding license class.

6. Raffles

License	Annual Gross Gambling Receipts	Fee
Class A	Up to \$5,000	\$54 <u>\$55</u>
Class B	Up to \$10,000	\$171 <u>\$176</u>
Class C	Up to \$25,000	\$350 <u>\$361</u>
Class D	Up to \$50,000	\$589 <u>\$608</u>
Class E	Up to \$75,000	\$944 <u>\$974</u>
Class F	Over \$75,000	\$1,414 <u>\$1,460</u>

7. Combination license

License	Description	Fee
Class A	Allows gross gambling receipts of up to \$25,000 from bingo, \$7,500 from raffles, and \$7,500 from amusement games, not to exceed \$30,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$106 <u>\$109</u>
Class B	Allows gross gambling receipts of up to \$60,000 from bingo, \$15,000 from raffles, and \$15,000 from amusement games, not to exceed \$75,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$276 <u>\$285</u>
Class C	Allows gross gambling receipts of up to \$125,000 from bingo, \$30,000 from raffles, and \$30,000 from amusement games, not to exceed \$150,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$639 <u>\$660</u>

8. Special property bingo

Once annually	\$26
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9. Permits

Recreational gaming activity	\$54 <u>\$55</u>
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10. Changes

Commercial stimulant fees.

All commercial stimulant license applicants must pay the following fees to us when applying for gambling licenses:

1. Card games - Nonhouse-banked

License	Description	Fee
Class B	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage - fee to play	\$175 <u>\$180</u>
Class C	Tournament only, no more than thirty consecutive days per tournament	
C-5	Up to five tables	\$175 <u>\$180</u>
C-10	Up to ten tables	\$318 <u>\$328</u>
C-15	Up to fifteen tables	\$529 <u>\$546</u>
Class D	Up to five tables - no fee to play	\$55 <u>\$56</u>
Class E	Fee to play	
E-1	One table only	\$422 <u>\$436</u>
E-2	Up to two tables	\$727 <u>\$751</u>
E-3	Up to three tables	\$1,210 <u>\$1,250</u>
E-4	Up to four tables	\$2,426 <u>\$2,506</u>
E-5	Up to five tables	\$3,650 <u>\$3,772</u>
Additional tables	Per table - up to a maximum of fifteen	\$1,060 <u>\$1,092</u>
Class F	Endorsement/upgrade of Class E includes permission to use alternative fee collections and use of player-supported jackpots	\$1,590 <u>\$1,642</u>

2. Card games - House-banked

All tables within a card room operating any house-banked card game must be licensed under this license class.

License	Fee
Annual	\$6,368 <u>\$6,582</u>
Additional fee per table - up to fifteen tables	\$1,590 <u>\$1,642</u>

3. Punch boards and pull-tabs

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to \$50,000	\$577 <u>\$596</u>	\$5,000
Class B	Up to \$100,000	\$1,030 <u>\$1,064</u>	\$5,000
Class C	Up to \$200,000	\$1,942 <u>\$2,006</u>	\$10,000
Class D	Up to \$300,000	\$2,826 <u>\$2,920</u>	\$10,000

Class E	Up to \$2,500,000	\$3,160 <u>\$3,266</u>
Class F	Over \$2,500,000	\$3,890 <u>\$4,020</u>

3. Fund-raising event equipment distributor

License	Description	Fee
Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	\$239
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	\$603

4. Gambling service supplier

License	Fee
Annual	\$630 <u>\$651</u>
Financing, consulting, and management contract review	\$136 <u>\$135</u>

5. Linked bingo prize provider

License	Fee
Annual	\$4,048 <u>\$4,184</u>

6. Manufacturer

License	Annual Gross Sales	Fee
Class A	Pull-tab dispensing devices only	\$605 <u>\$625</u>
Class B	Up to \$250,000	\$1,210 <u>\$1,250</u>
Class C	Up to \$500,000	\$1,818 <u>\$1,878</u>
Class D	Up to \$1,000,000	\$2,426 <u>\$2,506</u>
Class E	Up to \$2,500,000	\$3,160 <u>\$3,266</u>
Class F	Over \$2,500,000	\$3,890 <u>\$4,020</u>

7. Permits

Type	Description	Fee
Agricultural fair	One location and event only	\$26
Agricultural fair annual permit	Annual permit for specified different events and locations	\$175 <u>\$180</u>
Recreational gaming activity		\$55 <u>\$56</u>
Manufacturer's special sales permit		\$211
Punch board and pull-tab service business permit	Initial application fee	\$217 <u>\$224</u>
Punch board and pull-tab service	Renewal	\$53 <u>\$54</u>

	that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull-tabs, accounting for income or prizes	annually
Replacement of identification stamps		\$26
(c) Disposable bingo cards		
(i) Single game sets of individual cards or sheets of cards		\$.27
(ii) Multigame card packets		\$1.16
(iii) Cards used to play for linked bingo prizes	Fee per 250 cards	\$.42
(iv) Cards used to play for linked bingo prizes	Fee per 5,000 cards	\$8.49
(d) Coin or token-activated amusement games		
Annually - operated at any Class A amusement game license location		\$26.53
(e) Electronic bingo card daubers		
Annual		\$10.60
(f) Electronic card facsimile table		
Annual		\$361.51

11. Two-part payment plan participation

Annual participation	\$26
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Fees — Individuals.

Individuals shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, or when assessed the cost of special investigation procedures by the commission:

LICENSE TYPE	DEFINITION	FEE
1. CHARITABLE OR NONPROFIT GAMBLING MANAGER	Original	\$ 474176
	Renewal	\$ 8284
	Change of Employer	\$ 8284
2. LINKED BINGO PRIZE PROVIDER REPRESENTATIVE	Original	\$ 239247
	Renewal	\$ 146150
3. COMMERCIAL GAMBLING MANAGER	Original	\$ 175180
	Renewal	\$ 8486
	Change of Employer	\$ 8486
4. DISTRIBUTOR'S OR GAMBLING SERVICES SUPPLIER REPRESENTATIVE	Original	\$ 239247
	Renewal	\$ 146150
5. MANUFACTURER'S REPRESENTATIVE	Original	\$ 239247
	Renewal	\$ 146150
6. PUBLIC CARD ROOM EMPLOYEE		
CLASS A - Performs duties as defined in WAC 230-02-415 in a class E card room.		
	Original	\$ 175180
	Renewal	\$ 8486
CLASS B - Performs duties as defined in WAC 230-02-415 in enhanced and house-banked card rooms.		
	Original, in-state	\$ 237245
	Original, out-of-state	\$ 295304
	Renewal	\$ 146150
	Transfer/Additional	
	Employee/Conversion/	
	Emergency Waiver Request	\$ 5758
7. OTHER FEES		
CHANGE OF NAME	(See WAC 230-04-310)	\$ 26
DUPLICATE LICENSE	(See WAC 230-04-290)	\$ 26
OUT-OF-STATE RECORDS INQUIRY	(See WAC 230-04-240)	As required
8. If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant shall provide evidence of the completion date of active military service.		

WAC 230-50-562 Final orders -- When and how to file a petition for reconsideration of a final order. Any party to an adjudicative proceeding may file a petition for reconsideration of a final order. A petition for reconsideration of a final order under RCW 34.05.470 shall be filed with the commission in accordance with WAC 230-50-210 within ten days of service of a final order. The petition for reconsideration shall be administered in accordance with RCW 34.05.470. If the petition is received at least 15 business days before the next regularly scheduled meeting, the commission will schedule the petition to be heard at the upcoming meeting. If the petition is received less than 15 business days before the next regularly scheduled meeting, the commission will schedule the petition for reconsideration at the next following commission meeting.

Underage Gambling Violations Possible Mitigating Actions

- Establish a policy that requires employees to check the ID of all patrons who look 30 years old or younger. Monitor and document your staff's compliance with this policy.
- Maintain staffing levels that are sufficient to be able to check the ID of patrons.
- Post a security person at the door that is responsible for checking the ID of patrons entering the casino.
- Implement procedures whereby dealers know ID has been checked. For example....Require security staff to check ID at the door, then stamp the hand of patrons who meet the age requirement. The stamp will indicate to the dealers that the patron's ID has been checked and they are over the age of 18.
- Post signs throughout the facility stating the age requirement for gambling.
- Establish penalties for employees who fail to follow internal controls or job responsibilities with regard to checking for underage patrons.
- Maintain updated internal controls with regard to the prevention of underage gambling and periodically train staff on those procedures.
- Provide staff with formalized on-site training in how to read identification and identify underage persons given by the Liquor Control Board.
- Provide and document ongoing training of staff with regard to identifying underage people and reading identification
- Use a Viage ID Scanner that displays the age, birthdate, expiration date, and gender on a small LED screen after the ID is scanned.
- Use a Black Light to verify authenticity of Washington ID's or for other states that use black light seals in their ID's.
- Subscribe to an ID Book service that provides an updated ID book every year. This book has photos of every state's driver's licenses and other forms of state ID. More importantly, the book identifies changes that the individual states, including Washington, have made in the previous year with respect to their driver's licenses or other forms of ID.
- Post Disclaimer Signs at entrances and through out the facility stating that you check 100% of IDs for liquor, tobacco and gambling service. Although staff may not check the ID of all patron's this notice may discourage underage people from attempting to enter.

- Implement and document procedures for random ID checks in your facility.
- Require Security Officers to take classes and pass a Mandatory Alcohol Server Training (MAST) exam.

Amendatory Section:

September 2006 Study Session

WAC 230-40-855 Acceptance of tips from patrons for house-banked activities.

Licensees may allow selected employees to accept tips from patrons. If allowed, tips shall be controlled in a manner to ensure they are only received by authorized persons, ~~((properly))~~ accounted for, and maintained separate from all other gaming funds. The following restrictions and procedures apply:

(1) No employee directly concerned with management, supervision, accounting, security, or surveillance shall solicit, accept or otherwise share any tip originating from any player or patron: Provided, That cage cashiers shall be allowed to accept tips.

(2) Each licensee shall establish procedures necessary to ensure that the acceptance of tips by dealers is observed by the floor supervisor and surveillance. Procedures shall include an overt display of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) All tips must be dropped into a locked tip container which prevents the removal of chips except by unlocking. Tip containers must remain under camera coverage of the closed circuit television system at all times.

(4) ~~(3)~~ Tips to the cage cashier shall be deposited directly into the tip container by the patron. Cashier tip containers shall be located outside the cage enclosure. Tips received by a cage cashier must be counted and documented by the shift/floor supervisor or security.

(5) ~~(4)~~ Tips received shall be retained by employees or pooled among employees ~~((in such manner as determined by the licensee))~~ as described in the licensee's internal controls.

(6) ~~(5)~~ Licensees shall establish and implement procedures for the ~~((proper))~~ accounting of tips received by authorized card room employees. The procedures shall be fully documented in the licensee's internal controls and shall describe in detail any methods used to allocate tips. ~~((Accounting and recording of tip income shall be in sufficient detail to meet federal income tax requirements.))~~

(7) All tips received by licensed card room employees must be redeemed under surveillance at the cashier's cage. Card room employees must accurately report all tips to their employer as described in the licensee's Internal Controls.

(8) All pooled tips must be redeemed under surveillance at the cashier's cage, count room or a gaming table.

Charitable or nonprofit organization fees.

Bona fide charitable and nonprofit organizations must pay the following fees to us when applying for gambling licenses, permits, miscellaneous changes, or inspection services:

1. Amusement games

License	Annual Gross Gambling Receipts	Fee
Class A	Premises only	\$54 <u>\$55</u>
Class B	Up to \$10,000	\$54 <u>\$55</u>
Class C	Up to \$25,000	\$294 <u>\$303</u>
Class D	Up to \$50,000	\$472 <u>\$487</u>
Class E	Over \$50,000	\$822 <u>\$848</u>

2. Bingo

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to \$25,000	\$54 <u>\$55</u>	\$1,000
Class B	Up to \$75,000	\$174 <u>\$176</u>	\$1,000
Class C	Up to \$150,000	\$350 <u>\$361</u>	\$2,000
Class D	Up to \$350,000	\$944 <u>\$974</u>	\$4,000
Class E	Up to \$650,000	\$1,500 <u>\$1,642</u>	\$8,000
Class F	Up to \$1,500,000	\$3,196 <u>\$3,304</u>	\$15,000
Class G	Up to \$2,000,000	\$4,612 <u>\$4,766</u>	\$23,000
Class H	Up to \$3,000,000	\$6,162 <u>\$6,370</u>	\$30,000
Class I	Up to \$4,000,000	\$7,700 <u>\$7,960</u>	\$38,000
Class J	Up to \$5,000,000	\$9,238 <u>\$9,550</u>	\$45,000
Class K	Up to \$6,000,000	\$10,364 <u>\$10,714</u>	\$53,000
Class L	Up to \$7,000,000	\$11,846 <u>\$12,246</u>	\$60,000
Class M	Up to \$8,000,000	\$13,330 <u>\$13,780</u>	\$65,000
Class N	Up to \$9,000,000	\$14,500 <u>\$14,990</u>	\$70,000
Class O	Up to \$10,000,000	\$16,000 <u>\$16,540</u>	\$75,000
Class P	Up to \$11,000,000	\$17,500 <u>\$18,090</u>	\$80,000
Class Q	Up to \$12,000,000	\$21,000 <u>\$21,708</u>	\$85,000
Class R	Up to \$13,000,000	\$24,000 <u>\$24,810</u>	\$90,000
Class S	Up to \$14,000,000	\$27,000 <u>\$27,912</u>	\$95,000

*See chapter 230-06 WAC, Exceeding license class.

3. Card games

License	Description	Fee
Class A	Nonhouse-banked - fee to play	\$589 <u>\$608</u>
Class B	Limited card games - hearts, rummy, pitch, pinochle, and cribbage - fee to play	\$474 <u>\$176</u>
Class C	Tournament only - no more than	\$54 <u>\$55</u>

Class S	Up to \$6,000,000	\$17,000 <u>\$17,574</u>	\$60,000
Class T	Up to \$7,000,000	\$19,000 <u>\$19,642</u>	\$70,000
Class U	Up to \$8,000,000	\$21,000 <u>\$21,708</u>	\$80,000
Class V	Over \$8,000,000	\$23,000 <u>\$23,776</u>	\$80,000

*See chapter 230-06 WAC, Exceeding license class.

6. Raffles

License	Annual Gross Gambling Receipts	Fee
Class A	Up to \$5,000	\$54 <u>\$55</u>
Class B	Up to \$10,000	\$171 <u>\$176</u>
Class C	Up to \$25,000	\$350 <u>\$361</u>
Class D	Up to \$50,000	\$589 <u>\$608</u>
Class E	Up to \$75,000	\$944 <u>\$974</u>
Class F	Over \$75,000	\$1,414 <u>\$1,460</u>

7. Combination license

License	Description	Fee
Class A	Allows gross gambling receipts of up to \$25,000 from bingo, \$7,500 from raffles, and \$7,500 from amusement games, not to exceed \$30,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$106 <u>\$109</u>
Class B	Allows gross gambling receipts of up to \$60,000 from bingo, \$15,000 from raffles, and \$15,000 from amusement games, not to exceed \$75,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$276 <u>\$285</u>
Class C	Allows gross gambling receipts of up to \$125,000 from bingo, \$30,000 from raffles, and \$30,000 from amusement games, not to exceed \$150,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$639 <u>\$660</u>

8. Special property bingo

Once annually	\$26
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9. Permits

Recreational gaming activity	\$54 <u>\$55</u>
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10. Changes

Commercial stimulant fees.

All commercial stimulant license applicants must pay the following fees to us when applying for gambling licenses:

1. Card games - Nonhouse-banked

License	Description	Fee
Class B	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage - fee to play	\$175 <u>\$180</u>
Class C	Tournament only, no more than thirty consecutive days per tournament	
C-5	Up to five tables	\$175 <u>\$180</u>
C-10	Up to ten tables	\$318 <u>\$328</u>
C-15	Up to fifteen tables	\$529 <u>\$546</u>
Class D	Up to five tables - no fee to play	\$55 <u>\$56</u>
Class E	Fee to play	
E-1	One table only	\$422 <u>\$436</u>
E-2	Up to two tables	\$727 <u>\$751</u>
E-3	Up to three tables	\$1,210 <u>\$1,250</u>
E-4	Up to four tables	\$2,426 <u>\$2,506</u>
E-5	Up to five tables	\$3,650 <u>\$3,772</u>
Additional tables	Per table - up to a maximum of fifteen	\$1,060 <u>\$1,092</u>
Class F	Endorsement/upgrade of Class E includes permission to use alternative fee collections and use of player-supported jackpots	\$1,590 <u>\$1,642</u>

2. Card games - House-banked

All tables within a card room operating any house-banked card game must be licensed under this license class.

License	Fee
Annual	\$6,368 <u>\$6,582</u>
Additional fee per table - up to fifteen tables	\$1,590 <u>\$1,642</u>

3. Punch boards and pull-tabs

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to \$50,000	\$577 <u>\$596</u>	\$5,000
Class B	Up to \$100,000	\$1,030 <u>\$1,064</u>	\$5,000
Class C	Up to \$200,000	\$1,942 <u>\$2,006</u>	\$10,000
Class D	Up to \$300,000	\$2,826 <u>\$2,920</u>	\$10,000

Class E	Up to \$2,500,000	\$3,160 <u>\$3,266</u>
Class F	Over \$2,500,000	\$3,890 <u>\$4,020</u>

3. Fund-raising event equipment distributor

License	Description	Fee
Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	\$239
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	\$603

4. Gambling service supplier

License	Fee
Annual	\$630 <u>\$651</u>
Financing, consulting, and management contract review	\$136 <u>\$135</u>

5. Linked bingo prize provider

License	Fee
Annual	\$4,048 <u>\$4,184</u>

6. Manufacturer

License	Annual Gross Sales	Fee
Class A	Pull-tab dispensing devices only	\$605 <u>\$625</u>
Class B	Up to \$250,000	\$1,210 <u>\$1,250</u>
Class C	Up to \$500,000	\$1,818 <u>\$1,878</u>
Class D	Up to \$1,000,000	\$2,426 <u>\$2,506</u>
Class E	Up to \$2,500,000	\$3,160 <u>\$3,266</u>
Class F	Over \$2,500,000	\$3,890 <u>\$4,020</u>

7. Permits

Type	Description	Fee
Agricultural fair	One location and event only	\$26
Agricultural fair annual permit	Annual permit for specified different events and locations	\$175 <u>\$180</u>
Recreational gaming activity		\$55 <u>\$56</u>
Manufacturer's special sales permit		\$211
Punch board and pull-tab service business permit	Initial application fee	\$217 <u>\$224</u>
Punch board and pull-tab service	Renewal	\$53 <u>\$54</u>

	that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull-tabs, accounting for income or prizes	annually
Replacement of identification stamps		\$26
(c) Disposable bingo cards		
(i) Single game sets of individual cards or sheets of cards		\$.27
(ii) Multigame card packets		\$1.16
(iii) Cards used to play for linked bingo prizes	Fee per 250 cards	\$.42
(iv) Cards used to play for linked bingo prizes	Fee per 5,000 cards	\$8.49
(d) Coin or token-activated amusement games		
Annually - operated at any Class A amusement game license location		\$26.53
(e) Electronic bingo card daubers		
Annual		\$10.60
(f) Electronic card facsimile table		
Annual		\$361.51

11. Two-part payment plan participation

Annual participation	\$26
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Fees — Individuals.

Individuals shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, or when assessed the cost of special investigation procedures by the commission:

LICENSE TYPE	DEFINITION	FEE
1. CHARITABLE OR NONPROFIT GAMBLING MANAGER	Original	\$ 474176
	Renewal	\$ 8284
	Change of Employer	\$ 8284
2. LINKED BINGO PRIZE PROVIDER REPRESENTATIVE	Original	\$ 239247
	Renewal	\$ 146150
3. COMMERCIAL GAMBLING MANAGER	Original	\$ 175180
	Renewal	\$ 8486
	Change of Employer	\$ 8486
4. DISTRIBUTOR'S OR GAMBLING SERVICES SUPPLIER REPRESENTATIVE	Original	\$ 239247
	Renewal	\$ 146150
5. MANUFACTURER'S REPRESENTATIVE	Original	\$ 239247
	Renewal	\$ 146150
6. PUBLIC CARD ROOM EMPLOYEE		
CLASS A - Performs duties as defined in WAC 230-02-415 in a class E card room.		
	Original	\$ 175180
	Renewal	\$ 8486
CLASS B - Performs duties as defined in WAC 230-02-415 in enhanced and house-banked card rooms.		
	Original, in-state	\$ 237245
	Original, out-of-state	\$ 295304
	Renewal	\$ 146150
	Transfer/Additional	
	Employee/Conversion/	
	Emergency Waiver Request	\$ 5758
7. OTHER FEES		
CHANGE OF NAME	(See WAC 230-04-310)	\$ 26
DUPLICATE LICENSE	(See WAC 230-04-290)	\$ 26
OUT-OF-STATE RECORDS INQUIRY	(See WAC 230-04-240)	As required
8. If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant shall provide evidence of the completion date of active military service.		



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL
OF A STATE ADMINISTRATIVE RULE (RCW 34.05.330)

RECEIVED

AUG 15 2006

The Office of Financial Management (OFM) has adopted this form for members of the public to petition a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a petitioner's request.

To obtain this form in an alternate format, call OFM at (360) 902-0555 or TTY (360) 664-9437.

Please complete the following:

PETITIONER'S NAME (PLEASE PRINT) <i>Leading Edge Software</i>		TELEPHONE NUMBER (INCLUDE AREA CODE) <i>509-499-6218</i>	
STREET ADDRESS <i>1228 N Division St. #153</i>	PO BOX NUMBER <i></i>	CITY <i>Spokane</i>	STATE <i>WA</i>
AGENCY RESPONSIBLE FOR ADMINISTERING THE RULE (IF KNOWN) <i>Washington State Gambling Commission</i>		ZIP CODE <i>99208</i>	

Please submit completed and signed form to the "Rules Coordinator" at the appropriate state agency. The agency will contact you within 60 days.

Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed.

☐ 1. NEW: I am requesting that a new WAC be developed

I believe a new rule should be developed.

- ☐ The subject of this rule is:
- ☐ The rule will affect the following people:
- ☐ The need for the rule is:

*Petition has been
WID.*

☒ 2. AMEND: I am requesting a change to existing WAC *230-40-825*

☐ 3. REPEAL: I am requesting existing WAC _____ be removed.

I believe this rule should be changed or repealed because (check one or more):

- ☐ It does not do what it was intended to do.
- ☐ It imposes unreasonable costs.
- ☐ It is applied differently to public and private parties.
- ☐ It is not clear.
- ☐ It is no longer needed.
- ☐ It is not authorized. The agency has no authority to make this rule.
- ☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known.
- ☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known.

☒ Other (please explain): *See attached documentation.*

PETITIONER'S SIGNATURE

[Signature]

DATE

8-11-06

WAC 230-40-825 Closed circuit television System--House --banking. Critical activities related to the operation of house-banked card games shall be closely monitored by the use of a closed circuit television (CCTV) system and recording using analog and/or digital recording equipment. Each house-banked card room licensee shall install and maintain a CCTV system that meets the following requirements

w/d

Camera coverage.

1 The following areas are required to be viewed by the CCTV system

(a) All gaming at each table including but not limited to, the following

- (i) Cards.
- (ii) Wagers.
- (iii) Chip tray.
- (iv) Drop box openings.
- (v) Card shoe.
- (vi) Shuffling devices, and
- (vii) Players and dealers

(b) All activity in the pits.

(c) All activity in the cashier's cage including, but not limited to, the:

- (i) Outside entrance.
 - (ii) Fill/credit dispenser: Provided, That when the licensee utilizes an approved computer based fill/credit system the licensee will be required to capture the printer that prints the fill/credit transactions in the same manner as a mechanical fill/credit dispenser;
 - (iii) Customer transactions
 - (iv) Cash and chip drawers.
 - (v) Vault/safe.
 - (vi) Storage cabinets.
 - (vii) Fill or credit transactions, Provided, That when the licensee utilizes an approved computer based fill/credit system the licensee will be required to capture the computer, key board, video monitor and printer that prints the fill/credit transactions in the same manner as manually completed transactions, and
 - (viii) Floor
- (d) All activity in the count room including, but not limited to, the:
- (i) Count table.
 - (ii) Floor.
 - (iii) Counting devices.
 - (iv) Trolley.
 - (v) Drop boxes.
 - (vi) Storage shelves/cabinets, and
 - (vii) Entrance and exits
- (e) The movement of cash, gaming chips, and drop boxes
- (f) Entrances and exits to the card room.

Petition for Rule Change
Washington State Gambling Commission
Supporting Documentation

To Whom It May Concern:

We respectfully request the review of our petition for a rule change to WAC 230-40-825.

Our company, Leading Edge Software has developed an electronic internal control program, StraightEdge 3.0, which will auto-populate WSGC required internal control forms found in the house banked card room records (GC2-255) as mandated by WAC 230-08-090.

The current Washington Administrative Code that governs house-banked card rooms does have a few provisions for use of a computer based internal control system, such as 230-40-052, which states that records shall include information to be placed in a form, record or document, or in stored data which shall be annotated in ink or other permanent form. Our product meets this requirement because the licensee obtains wet signatures on the required WGC forms.

Also in WAC 230-40-865 - Distributing chips and coins to tables — Requests and fills — House-banking, it states:

Fill slip.

(1) Each "fill slip" shall be serially pre-numbered three-part forms, which provide an original and duplicate copies as necessary: **Provided, That the director may authorize use of a computer based accounting system which includes a non-repeating sequential numbering system that is consistent with the controls and safeguards of the manual system.** Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:...

And in WAC 230-40-870 - Removing chips and coins from tables — Requests and credits — House-banking, it states:

Credit slip.

(1) Each "credit slip" shall be serially pre-numbered three-part forms, which provide an original and duplicate copies as necessary: **Provided, That the director may authorize use of a computer based accounting system which includes a non-repeating sequential numbering system that is consistent with the controls and safeguards of the manual system.** Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:...

It would appear that the Washington State Gambling Commission has prepared, to some extent, the inevitable use of technology in internal controls. A change in technology is also showing up in other parts of the WAC code pertaining to closed circuit television and house banked card rooms, as analog recording is being phased out for licensees and digital recording is becoming industry practice.

Withdrawn


Our request for a rule change pertains to 230-40-825, (1)(c)(ii),

Under WAC section 230-40-825, (1)(c)(ii), it states that the licensee must (1) capture on CCTV (c) activity in the cashier's cage, including but not limited to (ii) the fill/credit dispenser. This dispenser is known as the Whiz Machine industry wide in Washington State. Because StraightEdge 3.0 would eliminate the Whiz Machine, this would mean the licensee would be out of compliance as it does not define Fill/Credit Dispenser nor allow for use of a computer based accounting system under the statute. While there may be some concern about surveillance being able to validate the amount of the fill/credit slip when the amounts/information is entered on the computer versus the Whiz Machine, StraightEdge 3.0 adds a fourth layer of security. StraightEdge 3.0 *does* provide an electronic copy of the fill/credit slip to surveillance in real time so there is no question surveillance can see what was completed by the employee, as well as view the printed documents through CCTV, as what is currently being practiced with use of the Whiz Machine. This is a viable solution that would enable surveillance to validate fill/credit slips both on-screen and REAL time, but also to print out the fill/credit slip and put the sequentially numbered document under the camera for surveillance to validate before releasing the fill/credit.

This alternative to the rule will serve the same purpose at a lesser cost due to the Whiz Machine no longer being produced. This means that as the machines continue to age, parts will become obsolete and more expensive. Also, new licensees will be unable to obtain these fill/credit dispensers and therefore will be out of compliance with various parts of the Washington Administrative Code. Licensees will also realize a savings as they will no longer need to purchase the forms for the Whiz Machine.

Our company shares the same vision as the Commission in that we anticipate a need for our product in the future and through innovation with technology. Our goal is to help the licensee maintain compliance and assist the WSGC in protecting the public by ensuring that gambling is legal and honest.

Sincerely,



Leading Edge Software
Mike Levinson
President

WAC 230-50-562 Final orders -- When and how to file a petition for reconsideration of a final order. Any party to an adjudicative proceeding may file a petition for reconsideration of a final order. A petition for reconsideration of a final order under RCW 34.05.470 shall be filed with the commission in accordance with WAC 230-50-210 within ten days of service of a final order. The petition for reconsideration shall be administered in accordance with RCW 34.05.470. If the petition is received at least 15 business days before the next regularly scheduled meeting, the commission will schedule the petition to be heard at the upcoming meeting. If the petition is received less than 15 business days before the next regularly scheduled meeting, the commission will schedule the petition for reconsideration at the next following commission meeting.

Card Game Rules for Class B, Class C, Class D, Class E, and Class F Licensees

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Operating Commercial Card Games for Class B, Class C, Class D, Class E, and Class F Licensees

230-15-049 Defining "Floor Supervisor."

"Floor supervisor" means a licensed card room employee who directly supervises a limited number of card games and the dealers within a designated area known as the "pit."

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-560 Floor supervisor defined.

A floor supervisor is a licensed card room employee who shall be responsible for directly supervising a limited number of card games and the dealers assigned to those games within a designated area known as the "pit."

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-560, filed 4/14/00, effective 5/15/00.]

What we changed: We removed this section of the rule.

Why: The same material is covered by other sections of the rules, in particular security and accounting rules.

~~WAC 230-40-830 Cashier's cage -- Requirements -- House-banking. Cage not required.~~

~~(5) Licensees not offering house-banked card games shall not be required to meet the above requirements: Provided, That licensees shall maintain a system for securing and properly accounting for all gaming chips and moneys.~~

What we changed: We removed this section of the rule

Why: The same material is covered by other sections of the rules regarding the posting of house rules.

~~WAC 230-40-050 Fees for nonhouse-banked card games -- Assessment and collection -- Maximum fees. Fee schedule.~~

~~(5) A schedule setting forth all fees to participate in card games s230-15-053 shall be posted in plain view where it can be seen by the players in the card games;~~

230-15-055 Fees for decks of cards.

(1) Class B, Class C, Class D, Class E, and Class F licensees may charge a fee to a player asking for a new deck of cards.

(2) In addition, Class D licensees may charge a fee for every deck supplied to a table.

(3) The fee must not be greater than the Class B, Class C, Class D, Class E, and Class F licensee's actual cost for the deck.

(4) At the time Class B, Class C, Class D, Class E, and Class F licensees introduce new decks, they must collect the fee in cash directly from the player requesting the deck or the players of the game.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-050 Fees for nonhouse-banked card games -- Assessment and collection -- Maximum fees.

New decks of cards - fees.

(6) A person requesting a new deck of cards beyond those regularly furnished by the licensee may be charged a fee not to exceed the actual cost to the licensee for the deck. Class D licensees may charge a fee not to exceed actual cost to the licensee per deck for each deck of playing cards furnished to a table as required by these rules, or as requested by any player at the table. The fee shall be collected in cash directly from the players, or the player requesting the deck, at the time the deck is introduced into the game;

230-15-056 Fees for cutting cards in player-dealt games.

In player-dealt games:

(1) After the shuffle the dealer must offer the cards for a cut. After this initial offer of a cut, the dealer may require that players pay a maximum of one dollar for cutting the cards.

(2) Dealers must:

- (a) Not cut the cards more than twice during each hand or game; and
- (b) Place all the fees for cutting the cards into the pot for that hand or game.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-063 Charge for cutting cards.

After the shuffle, the dealer will offer the cards for a cut. Following this initial offer of a cut, the licensee may require that a player pay not more than one dollar for the privilege of cutting the cards, provided that the cards may not be cut more than twice during each hand or game and that any and all such fees be placed into the pot for that hand or game.

[Statutory Authority: RCW 9.46.070 (8) and (11).]

230-15-057 Rotating the deal among players.

(1) If the Class B, Class C, Class D, Class E, and Class F licensee does not provide a dealer, the deal must pass from player to player.

(2) A player may not deal another game until all of the players at the table have had their turn to deal, though players may voluntarily waive their right to deal any particular game.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-200 Players to compete on equal terms -- Deal to rotate among players.

The deal in any series of nonhouse-banked card games shall be passed from player to player, unless the table incorporates a house dealer as per house rule. No player who deals a game shall deal another game until each other player at the table has dealt a game in his turn: Provided, That any player may voluntarily waive his right to deal any particular game.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-200, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-40-200, filed 11/22/95, effective 1/1/96. Order 40, § 230-40-200, filed 6/26/75; Order 23, § 230-40-200, filed 9/23/74.]

Additional Rules for Class F Card Games

What we changed: We removed the word "security" from this section of the rule
Why: Many Class F licensees do not, and are not required to, have a separate security department. We therefore made a separate rule regarding supervision WAC 230-15-060, which Class F licensees must follow.

230-15-058 Internal controls.

Class F licensees must establish internal controls that ensure gambling activities are closely controlled and operated fairly.

- (1) The internal controls must require, at a minimum:
 - (a) Trained personnel; and
 - (b) Segregation of duties for all employees involved in the operation; and
 - (c) Fee collection and funds safeguarding procedures; and
 - (d) Playing card and chip inventory.
- (2) Class F licensees must inform their card room employees of the internal controls related to the employees' respective areas of responsibility.
- (3) Operators and all card room employees must follow the internal controls at all times.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-615 Nonhouse-banked card games -- Administrative and accounting control structure -- Organization.

Licensees conducting activities that require a Class F license shall assure that such activities are closely controlled. Class F licensees shall comply with the following additional requirements:

- (1) Establish a system of internal administrative and accounting controls that requires, at a minimum, the following:
 - (a) Trained personnel;
 - (b) Segregation of duties for all employees involved in the operation;
 - (c) Fee collection and funds safeguarding procedures;
 - (d) Playing card and chip inventory; and
 - (e) Security and supervision requirements.

230-15-060 Minimum number of licensed employees required.

At a minimum, Class F licensees must have:

- (1) One supervisor for every seven tables; and
- (2) One supervisor in each area where card games are played if Class F licensees use separate areas for the games; and
- (3) Two licensed card room employees in the card room at all times player-supported jackpots are in play or Class F licensees are using a rake or alternative methods of fee collection. One of the employees must be a floor supervisor.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-615 Nonhouse-banked card games -- Administrative and accounting control structure -- Organization.

(2) The licensee shall have adequate licensed employees to assure commission requirements are met. At a minimum, the following employees are required:

(a) At least one supervisor for every five tables shall be required:

Provided, That a single supervisor may supervise up to seven tables, if only seven tables are in operation and the layout was preapproved by commission staff;

(b) A licensee which utilizes two separate areas of a particular gaming establishment shall require at least one supervisor in each area; and

(c) The licensee must have at least two licensed card room employees in the card room at all times player-supported jackpot schemes are in play and/or alternative methods of collection are being utilized. One such employee must be a floor supervisor.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-615, filed 4/14/00, effective 5/15/00.]

230-15-061 Numbering tables.

Class F licensees must permanently number each table.

[Statutory Authority: RCW 9.46.070.]

230-15-065 Transporting drop boxes.

For Class F licensees using drop boxes, the supervisor or the supervisor's designee must transport drop boxes directly to the count area.

[Statutory Authority: RCW 9.46.070.]

Note: 230-40-050 (3)(c) refers those using drop boxes to 230-40-840, a house-banked rule; however, not all these things are Class F requirements.

WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.

Transportation to the count room.

(3) All drop boxes removed from the gaming tables shall be transported directly to the count room and secured by one security department member and one employee of the gaming operation department: Provided, That licensees not required to maintain a count room shall transport drop boxes directly to the count area using the supervisor or the supervisor's designee for the transport: Provided further, That a licensee may utilize the count team members to pull and transport the drop boxes to the count room for the count process, if conducted under the supervision of security when the gaming operation is closed and the card room entrances/exits are locked.

230-15-066 Counting procedures for fees.

Class F licensees must have a count room or a separate secure location to conduct the count. When Class F licensees count fees, they must:

- (1) Conduct the count at a specific time that Class F licensees have reported to us; and
- (2) Count all fees at least once every 24 hours; and
- (3) Have at least two card room employees count and record the amount on the count slip for each drop box; and
- (4) Make an entry in the daily card room record for each type of fee collected at each table. Class F licensees must retain card room control slips for each table with the daily records.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-630 Count procedures -- Class F card rooms.

Class F card rooms must follow certain procedures when conducting a count of fees. The following requirements shall be met:

- (1) The count shall occur at a specific time that has been reported to commission staff;
- (2) All fees shall be counted at least once each operating day;
- (3) The count shall be made by at least two licensed employees of the card room who shall record the amount on the count slip for each drop box;
- (4) The surveillance requirements of WAC 230-40-625 shall be met; and
- (5) An entry shall be made in the daily card room record for each table and each type of fee collected at a table. Count slips for each table shall be retained with the daily records.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-630, filed 6/19/01, effective 7/20/01.]

WAC 230-40-880 Count room requirements.

- (1) There shall be a room specifically designated for counting the contents of drop boxes, which shall be known as the "count room": Provided, That **licensees not offering house-banked card games** shall not be required to maintain a count room for counting the contents of drop boxes if they have another secure location and they meet all other commission requirements for surveillance and counting procedures.
-

Player-Supported Jackpots

230-15-080 Defining "player-supported jackpot."

"Player-supported jackpot"(PSJ) means a separate contest of chance directly related to the play or outcome of an authorized nonhouse-banked card game.

(1) Only Class F or house-banked licensees may establish a prize fund for the purpose of operating a PSJ for nonhouse-banked card games.

(2) In PSJs, Class F or house-banked licensees:

- (a) Collect funds from the players' wagers (the pot) for a separate prize; and
- (b) Act only as the custodian of the PSJ funds, including any interest earned on this money; and
- (c) Maintain no legal right to the funds; and
- (d) Must strictly account for all funds.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots — Restrictions — Manner of conducting — Approval.

A player-supported jackpot (PSJ) is a separate contest of chance directly related to the play and/or outcome of authorized nonhouse-banked card games but which is not the card game itself. Card rooms with a Class F or house-banked license may establish a prize fund for the purpose of operating a PSJ for nonhouse-banked card games. Any PSJ must be approved in writing by the director or the director's designee prior to play.

230-15-081 Getting approval for player-supported jackpots.

(1) Class F or house-banked licensees must not operate a player-supported jackpot (PSJ) before we approve it in writing.

(2) To get a PSJ approved, Class F or house-banked licensees must make a written request, including, at least:

- (a) A detailed description of the card game associated with the PSJ; and
- (b) All rules of play; and
- (c) All internal control procedures associated with the PSJ and accounting for funds and prizes; and
- (d) The name of the prize fund custodian.

(3) Class F or house-banked licensees must get our written approval before making any changes to the PSJ.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-600 Authorization procedures for player-supported jackpots.

Player-supported jackpots (PSJs) shall be tightly controlled and shall not be operated prior to approval by the director or the director's designee. The following procedures apply to approval of PSJs:

(1) The request shall be in writing and include at least the following:

- (a) A detailed description of the game;
- (b) All internal control procedures associated with controlling the game and accounting for fees and prizes;
- (c) All rules of play; and
- (d) The name of the prize fund custodian.

(2) Any changes to the approved game or applicable internal controls must be forwarded to the commission staff for review and approval prior to implementation. Taken out because in another rule about changes to the card game.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-600, filed 4/14/00, effective 5/15/00.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

player-supported jackpot (PSJ) is a separate contest of chance directly related to the play and/or outcome of authorized nonhouse-banked card games but which is not the card game itself. Card rooms with a Class F or house-banked license may establish a prize fund for the purpose of operating a PSJ for nonhouse-banked card games. Any PSJ must be approved in writing by the director or the director's designee prior to play.

230-15-085 Naming a prize fund custodian for a player-supported jackpot.

- (1) Class F or house-banked licensees must name at least one prize fund custodian who is responsible and accountable for safeguarding player-supported jackpot funds, and for disbursing funds to winners.
- (2) A prize fund custodian may be an owner, partner, officer, or licensed individual named by the Class F or house-banked licensee.
- (3) The custodian must have signature authority for prize fund bank accounts.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

Prize fund custodian.

(4) Each licensee shall designate at least one "prize fund custodian" who shall be responsible for safeguarding and disbursing funds to winners. A prize fund custodian may be an owner, partner, officer, or licensed individual designated by a card room owner, partner, or officer. The custodian shall have signature authority for prize fund bank accounts and ensure accountability of all funds collected for use in a PSJ. The licensee shall meet the deposit requirements of WAC 230-40-608.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403),

§ 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

230-15-083 Posting rules for a player-supported jackpot.

Class F or house-banked licensees must prominently post a sign stating

- (1) How they will distribute player supported jackpot (PSJ) money if they discontinue the PSJ or stop operating the card game.
- (2) How a PSJ will be distributed in the event it is discontinued or the business closes; and
- (3) Conditions under which prizes may be won; and
- (4) Prize amount; and
- (5) Cost to participate; and
- (6) Administrative fees; and
- (7) Any other conditions which may affect the outcome of the game.

WAC 230-40-505 Rules of play for social card games -- Display -- Posted rules.

(2) Any rules related to the following shall be conspicuously posted in a location readily visible by all players.

- (a) Wagering limits for each type of game, including the ante as specified in WAC 230-40-120(3);
- (b) Prize pay-outs and any restrictions related to prizes;
- (c) Whether employees are allowed to play;
- (d) Procedures for resolving player disputes; and
- (e) For player-supported jackpots (PSJ):
 - (i) How a PSJ will be distributed in the event it is discontinued or the business closes;
 - (ii) Conditions under which prizes may be won;
 - (iii) Prize amount;
 - (iv) Cost to participate;
 - (v) Administrative fees; and
 - (vi) Any other conditions which may affect the outcome of the game.

WAC 230-40-610 Player-supported jackpots — Restrictions — Manner of conducting — Approval.

(11) House rules, to include administrative fees shall be posted in a location readily visible by all players and disclose the conditions under which prizes may be won, the prize amount, cost to participate, and any other conditions which may affect the outcome of the game.

What we changed: We clarified the process of contributing and recovering "seed" money in Player Supported Jackpots (PSJs). We also added a rule interpretation about how many times a PSJ may be seeded.

Why: We made this change because we get a number of interpretation questions about contributing and recovering seed money. Because the money for seeding comes from the licensee and can be recovered by the licensee, a PSJ may be seeded as many times as the licensee wishes. Practical application of a limit on seeding was problematic for enforcement.

230-15-083a Seeding a player-supported jackpot

Class F or house-banked licensees may:

- (1) Provide up to five thousand dollars seed money from house funds to start a PSJ. Class F or house-banked licensees must issue a check from their business account for the seed money to the PSJ account to start the prize fund; and
- (2) Class F or house-banked licensees may replenish the PSJ as funds are depleted with up to five thousand dollars at a time; and
- (3) Recover seed money by having the custodian issue a check or make an electronic bank transfer from the PSJ account to the Class F or house-banked licensee's business account.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval. Funding a PSJ.

A PSJ must meet the following requirements:

- (1) A licensee may provide house funds to establish a PSJ. The licensee shall issue a check from the general business account into the PSJ account to start the prize fund. Recouping of start up funds shall be done by issuing a check from the PSJ account to the business general account. Electronic bank transfers shall satisfy this requirement. Start up funds shall not exceed five thousand dollars per PSJ.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

What we changed: We have rewritten this rule to use consistent terms for the types of fees and the collection methods. Rake is a type of fee and chip rack or drop box are the collection methods.

Why: The original rule confused the two terms.

230-15-084 Collecting funds for a player-supported jackpot.

Class F or house-banked licensees may collect up to two dollars per hand or game from the pot for each player-supported jackpot. Class F or house-banked licensees:

- (1) Must keep these funds separately from all other fees; and
- (2) Must use either the chip rack or drop box method to collect these funds.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

Using a rake to fund a PSJ.

(2) A licensee may assess a portion of players' wagers for a jackpot prize. Such amount shall not exceed ~~one~~ two dollars per hand or game for each PSJ. This assessment shall be separately collected using the rake method.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

230-15-086 Collecting an administrative fee on the player-supported jackpot.

Class F or house-banked licensees may collect an administrative fee of up to ten percent of the funds collected for a player supported jackpot (PSJ). Licensees must deduct no other expenses from the PSJ account.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

PSJ funds are player funds - exception from administrative fee.

No interest/no legal rights 230-15-080

(3) The licensee acts only as the custodian of the PSJ funds, including any interest earned on this money, and maintains no legal right to the funds. All PSJ funds shall be awarded as prizes, based upon a format approved by commission staff. An administrative fee not to exceed ten percent of the amount collected for a PSJ may be imposed by the licensee. This administrative fee includes all

expenses incurred by the licensee, including banking fees No means no—no need to tell them again that they have no interest.

No other expenses beyond the ten percent administrative fee shall be deducted from the PSJ account.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

230-15-088 House dealer required for a player-supported jackpot.

Class F or house-banked licensees must use a house dealer for all card games offering a player-supported jackpot (PSJ). No one playing in the PSJ game may deal.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

House dealer required.

(8) All card games offering a PSJ must utilize a house dealer.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

What we changed: We clarified the rule and used consistent terms. "Bank, mutual savings bank, or credit union regulated by the Washington state Department of Financial Institutions" are new terms which will be used in all chapters. We also added in a rule interpretation about transferring funds before the end of the month. Additionally, we introduced a definition of the word "reconcile" to explain what we mean when we use this word.

Why: We have rewritten this rule using new terms which we defined in the Licensing chapter. We changed the requirements about transferring funds because some licensees were making transfers every few months instead of once a month. We defined "reconcile" because not all licensees were conducting a proper reconciliation of records.

230-15-087 Accounting for player-supported jackpot funds.

Class F or house-banked licensees must:

- (1) Keep a separate bank account in a bank, mutual savings bank, or credit union regulated by the Washington state Department of Financial Institutions for holding player-supported jackpot (PSJ) funds; and
- (2) Deposit only funds from PSJs into the account; and
- (3) Not make payouts from the PSJ funds until Class F or house-banked licensees have first deposited the funds in the PSJ account. However, licensees may pay out prizes won during the gambling day and deduct administrative expenses before licensees deposit the funds; and
- (4) Deposit the PSJs funds into the PSJ account or with an armored car service within two banking days of the date of collection; and
- (5) Identify all deposits of PSJ funds by the type of PSJ fund and date of collection. Class F or house-banked licensees must keep the validated deposit receipts as a part of their required daily records; and
- (6) Transfer the amount from the PSJ account to the cage or general account before the end of the month if PSJ prizes are paid from the cage or general account. The Class F or house-banked licensee must keep the transfer information as part of the written records; and
- (7) Reconcile the account balance in their bank statement to the PSJ prize balance on their PSJ fund accrual record each month. "Reconcile" means the Class F or house-banked licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing. Class F or house-banked licensees must keep the reconciliation as part of their records.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-608 Deposit requirements -- Player-supported jackpot funds.

Each licensee authorized to conduct player-supported jackpots (PSJs) shall protect and ensure proper accountability of all funds collected from players. Funds shall be controlled as follows:

- (1) Each licensee shall maintain a bank account for holding PSJ funds. The account shall be kept separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing PSJ funds.
- (2) Only receipts from PSJs shall be deposited into the account.
- (3) No expenditures shall be made from the receipts of any PSJ until such receipts have first been deposited in the PSJ: Provided, That licensees may pay out prizes won during the operating day and deduct administrative expenses prior to deposit.
- (4) Receipts from the operation of PSJs, which are being held pending disbursement, shall be deposited in the licensee's PSJ account within two banking days of the date of collection: Provided, That funds deposited within two days to an armored car service shall meet this requirement.

(5) All deposits of PSJ funds shall be specifically identified by type of fund and dates of collection. The validated deposit receipt shall be kept as a part of the records required by WAC 230-40-052.

(6) At the end of each month, the account balance per the bank statement shall be reconciled to the PSJ fund balances. The reconciliation shall be kept as a part of the records required by WAC 230-40-052.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), amended and recodified as § 230-40-608, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-12-072, filed 4/14/00, effective 5/15/00.]

What we changed: We removed the phrase "unless released by a commission agent" from subsection (6) where it says a licensee must retain the cards from a winning hand for seven days.

Why: We were unable to recall a single time that a commission agent has released a Class F or house-banked licensee from the requirement to keep the winning hand on the business premises for seven days. Also, seven days is a short retention requirement.

230-15-089 Paying out prizes on a player-supported jackpot.

(1) Class F or house-banked licensees must award all player-supported jackpot funds as prizes; and

(2) Prizes awarded in cash must not exceed two thousand five hundred dollars; and

(3) Prizes not awarded in cash must be paid within twenty-four hours with a check that provides a duplicate copy; and

(4) Class F or house-banked licensees must keep a record of all prizes paid in the format we require; and

(5) When a player wins a prize of five hundred dollars or more, in view of the surveillance camera, the dealer must:

(a) Display the value and suit of each card in the winning hand; and

(b) Count and put in numerical order by suit the remaining cards in the deck to confirm a complete deck; and

(6) Class F or house-banked licensees must collect the hand and seal it with a copy of the prize record. Licensees must keep the winning hand and remaining deck on the business premises for seven gambling days.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

Payout of prizes.

(5) Prize amounts paid in cash shall not exceed two thousand five hundred dollars. Prize amounts not awarded in cash shall be paid within twenty-four

hours, by check, the type which provides a duplicate copy. A record of all prizes paid shall be maintained in the format prescribed by commission staff and shall include:

(a) For prizes less than one hundred dollars, a system of accounting denoting each individual prize may be utilized.

(b) For prizes one hundred dollars and above, the following information shall be recorded on a prize record:

(i) Full printed name;

(ii) Date of birth;

(iii) Street address;

(iv) Type of identification reviewed;

(v) Amount of the prize awarded;

(vi) Description of the winning hand;

(vii) Time and date awarded; and

(viii) The supervisor's and dealer's initials.

(c) When awarding a prize of five hundred dollars or more, the dealer must, in view of the surveillance camera, display the value and suit of each card in the winning hand, and the remaining cards in the deck must be counted and put in numerical order by suit to confirm a complete deck. The hand shall be collected and sealed with the prize record. The winning hand and remaining deck shall be maintained on the premises as part of daily card room records for a period of seven days, **unless released by a commission agent.**

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

What we changed: We have added the words "prize fund custodian" into subsections (2-3)

Why: We believe that it was inadvertently left out when the rule was originally passed. It's important that the prize fund custodians be held to the same standards as owners and card room employees when they are participating in PSJs.

230-15-090 Owners, prize fund custodians, and card room employees participating in player-supported jackpots.

(1) Class F or house-banked owners, prize fund custodians, and on-duty card room employees may play in card games that offer a player-supported jackpot (PSJ), but must not share in the winnings of any prize awarded.

(2) Any prizes an owner, prize fund custodian, or on-duty employee may be entitled to under game rules must be divided equally among the other players at the table.

(3) Owners, prize fund custodians, and on-duty card room employees must turn their cards face up at the end of a game so that other players at the table and surveillance may observe their cards if:

- (a) They are playing in a game with a PSJ; and
- (b) The prize is not based on a predetermined hand, such as four of a kind; and
- (c) There is a qualifying hand at the end of a game, such as a "bad beat" hand.

(4) Card room employees that are off duty may win PSJ prizes.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots – Restrictions – Manner of conducting – Approval.

Owners and employees competing for a PSJ.

(6) Owners, custodians and on-duty card room employees may participate in card games that offer a PSJ, but may not share in the winnings of any prize awarded. Any prize winnings an owner or on-duty employee may be entitled to under game rules, must be divided equally among the other players at the table: Provided, That off-duty employees may participate in card games that offer a PSJ and share in the prize winnings.

Owners and employees showing cards.

(7) Owners and on-duty card room employees must turn their cards face up at the end of each game so they may be observed by other players at the table and surveillance if:

- (a) Playing in a game with a PSJ;
- (b) The prize is not based upon a predetermined hand;
- (c) There is a qualifying hand at the end of a game (such as a "bad beat" hand).

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

What we changed: We have rewritten this rule to include an existing rule interpretation about taxing authorities.

Why: We are attempting to clarify the rule to explain that licensee must immediately stop offering the player-supported jackpot if taxing authorities seize the money from a player-supported jackpot..

230-15-091 Removing a player-supported jackpot from play.

(1) If Class F or house-banked licensees discontinue a PSJ, they must distribute the balance, less any seed money, to players within sixty days by offering an approved promotion or tournament of the same card game played to fund the PSJ.

(2) If Class F or house-banked licensees stop operating card games or fail to keep a valid card room license, they must immediately distribute all PSJ funds to the Washington State Council on Problem Gambling.

(3) If taxing authorities seize a PSJ account, the Class F or house-banked licensee must immediately stop offering the PSJ and collecting additional funds for the PSJ until all funds have been replaced in the PSJ account.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

Removing a PSJ from play.

(10) The following procedures shall be followed for all discontinued player-supported jackpots:

Discontinued.

(a) In the event a licensee elects to discontinue a PSJ, the balance, less any nonrecouped seed money, shall be distributed to players within sixty days of discontinuance by offering an approved promotion or card tournament of the same game under which the PSJ was originally accrued.

Closure of business.

(b) In the event a licensee ceases to operate a card room, or fails to maintain a valid card room license, all funds associated with the PSJ shall be distributed to the Washington state council on problem gambling.

Posting rules.

(c) The licensee shall conspicuously post a sign stating how PSJ money will be distributed in the event the PSJ is discontinued or the business closes. The sign must be posted at the inception of the PSJ. **Moved to 230-15-083 Starting a PSJ.**

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403),

§ 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

What we changed: We have rewritten this rule to indicate that some disputes will be resolved.

Why: The director or staff often do not have to intervene in card game disputes; therefore, we changed "will intervene" to "may intervene."

230-15-092 Resolving disputes over player-supported jackpots.

(1) If a dispute arises involving the outcome of a player supported jackpot (PSJ), Class F or house-banked licensees must:

- (a) Preserve the video recording, the winning hand and remaining deck, and all records for the game where the dispute occurred; and
- (b) Document all information about the dispute, including:
 - (i) The names, addresses, and phone numbers of all players, card room staff, and any witnesses involved; and
 - (ii) The amount of the advertised PSJ; and
 - (iii) A full description of the circumstances surrounding the dispute; and
- (c) Notify us within twenty-four hours.

(2) We will investigate complaints involving PSJ disputes and the director may issue a written decision which is final.

(3) During the course of dispute resolution, we may become the temporary custodian of any prize funds.

(4) Class F or house-banked licensees must not award or advertise the prize amount which is in dispute until it is resolved.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

Dispute resolution.

(12) If a dispute arises involving the outcome of a PSJ, the licensee shall preserve the video recording, the winning hand and remaining deck, and all records for the game where the dispute occurred and shall notify commission staff within twenty-four hours. The licensee shall document all information pertaining to the dispute including:

- (a) The names, addresses, and phone numbers of all players, card room staff, and any witnesses involved;
- (b) Amount of the advertised PSJ; and
- (c) A full description of the circumstances surrounding the dispute.

(13) All disputes involving a PSJ will be investigated by commission staff, with a report submitted to the director. A written decision will be issued by the director, or the director's designee, and such decision shall be final.

(14) During the course of dispute resolution, the commission may become the temporary custodian of any and all prize funds. The PSJ will be suspended until the dispute is resolved.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

What we changed: We have removed this rule.

Why: Other rules contain the same requirements about surveillance and there were no security requirements in the old rule WAC 230-40-825

WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.

Security requirements.

(9) Each gaming table offering a PSJ shall be required to install a closed circuit television system as outlined in WAC 230-40-625: Provided, That licensees operating any house-banked card games shall follow the security requirements set forth in WAC 230-40-825 for all tables in the card room, including those offering a PSJ.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 05-23-129 (Order 452), § 230-40-610, filed 11/21/05, effective 1/1/06. Statutory Authority: RCW 9.46.070. 04-24-038 (Order 439), § 230-40-610, filed 11/24/04, effective 1/1/05; 02-17-033 (Order 414), § 230-40-610, filed 8/13/02, effective 1/1/03; 01-13-091 (Order 403), § 230-40-610, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

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Operating a Card Room

230-15-001 "Public card room" defined.

"Public card room" means that area of the commercial stimulant business set aside for the playing of card games.

[Statutory Authority: RCW 9.46.070; RCW 9.46.0325.]

230-15-002 Requirements for public card games.

At any time public card game licensees are conducting card games, they must:

- (1) Have the food and/or drink business being commercially stimulated open to the public; and
- (2) For Class E, Class F, or house-banked card rooms, have a licensed card room employee on duty and in the card room area.

[Statutory Authority: RCW 9.46.070.]

WAC 230-02-410 Public card room.

A public card room is that area of the premises of a profit seeking retail business which has been specifically set aside or designated by the licensee and approved by the commission for the playing of cards by members of the public as a commercial stimulant to that business in accordance with state law and the rules of the commission.

230-15-003 "Social card games" defined.

For the purposes of this chapter, "social card games" means those card games authorized by RCW 9.46.0282. "Card games" and "social card games" mean the same thing in this chapter.

[Statutory Authority: RCW 9.46.070.]

Rule Summary for the Rule Below

What we changed: The old rule defined "guest" by referring to the Liquor Control Board's authorized guest card.

Why: We removed that reference and added our own definition because the Liquor Control Board no longer issues guest cards.

230-15-004 "Charitable and nonprofit social card room" and "guest" defined.

"Charitable or nonprofit social card room" means the area of a charitable or nonprofit organization's premises set aside for the playing of social card games by full and regular members and their guests.

"Guests" means persons who are not members of a bona fide charitable or nonprofit organization, but who are allowed to use the facilities of the organization to play card games when accompanied by a regular member of the organization sponsoring the guest. Charitable and nonprofit organizations must not charge guests a fee to play that exceeds the maximum fee set by the commission.

[Statutory Authority: RCW 9.46.0311; RCW 9.46.0351; RCW 9.46.070.]

WAC 230-02-420 Social card room.

A social card room is that area of the premises of a bona fide charitable or nonprofit organization which has been specifically set aside or designated by the licensee and approved by the commission for the playing of cards by bona fide members of that organization and their guests only, in accordance with state law and the rules of the commission.

[Order 23, § 230-02-420, filed 9/23/74.]

230-15-005 Approving area of premises for-card games.

Card game licensees must only operate card games in the specific area of the premises we approve.

[Statutory Authority: RCW 9.46.070 (11), (14), and (20); RCW 9.46.0351.]

WAC 230-40-020 Portion of premises used for card playing limited.

Only those specific parts or portions of licensed premises which have been approved by the commission for licensed card games shall be used for that purpose. Card playing operating under the authority of a license issued by the commission involving wagers shall not take place upon any other portion or part of the premises. Social card games authorized by RCW 9.46.030(9) shall not be allowed by the organization in the same room or rooms with the licensed card games.

[Statutory Authority: RCW 9.46.070(20); RCW 9.46.0311; RCW 9.46.0325; RCW 9.46.0351 .]

230-15-006 Hours of play.

(1) Licensees must not allow the use of their premises for card playing between the hours of 2:00 a.m. and 6:00 a.m. unless we approve different hours.

(2) Licensees may request, in writing, different hours of operation. Once the request is received, we will consult with the local law enforcement agency having jurisdiction over the licensee's business and with other state agencies involved in regulation of the business. We may allow licensees to adjust closing hours, but licensees must:

- (a) Open the food and/or drink business being stimulated to the public for business any time licensees are conducting card games; and
- (b) Have a licensed card room employee on duty and in the licensed card room area at all times during the hours of operation of a Class E, Class F, or house-banked card room; and
- (c) Observe a four-hour period of closure at the end of each business day before beginning the next period of operation; and
- (d) Comply with any other terms and conditions we require.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-400 Hours for card games — Procedures for changing hours.

The hours during which card games may be played in licensed public card rooms shall be limited as follows:

(1) Licensees shall not allow the use of their premises for card playing between the hours of 2:00 a.m. and 6:00 a.m.: Provided, That the director may allow closing hours to be adjusted beyond 2:00 a.m. as long as the following conditions are met:

- (a) The director shall consult with the local law enforcement agency which has jurisdiction;
- (b) The director shall consult with other state agencies involved in regulation of the business;
- (c) A licensee must observe a four-hour period of closure at the end of each business day before beginning the next period of operation.
- (d) The food and/or drink business being stimulated shall be open to the public for business any time card games are conducted;
- (e) At all times during the hours of operation of a Class E, F or house-banked card room, a licensed card room employee must be on duty and in the licensed card room area; and
- (f) The licensee complies with any other terms and conditions imposed by the director.

(2) The director may deny the request for extended hours or revoke hours already approved if the local law enforcement agency or a state agency objects or if the director determines that the licensee has violated any provisions of

chapter 9.46 RCW, any other commission rule, or any of the terms set forth in subsection (1) of this section. All objections to changing a licensee's operating hours or requests to revoke an approved operating schedule must be submitted in writing.

(3) The commission shall afford a licensee an opportunity for a brief adjudicative proceeding prior to denying or revoking the licensee's authorization for extended card room hours. The brief adjudicative proceeding shall be heard by an administrative law judge, under the provisions set forth in WAC 230-50-010(6), and RCW 34.05.482 through 34.05.494.

[Statutory Authority: RCW 9.46.070(1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4).]

230-15-007 Authorized nonhouse-banked card games.

(1) Only the following nonhouse-banked card games are authorized:

- (a) Poker; and
- (b) Hearts; and
- (c) Pinochle; and
- (d) Cribbage; and
- (e) Rummy; and
- (f) Panguingue (Pan); and
- (g) Pitch; and
- (h) Bid Whist; and

(2) Card game licensees must operate these games in the manner explained in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Modern Encyclopedia of Card Games*. Card game licensees may make immaterial modifications to the games.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-010 Nonhouse-banked card games authorized.

(2) Nonhouse-banked card games shall only be played in the manner set forth in *The New Complete Hoyle, Revised*, *Hoyle's Modern Encyclopedia of Card Games*, or a similar authoritative book on card games approved by the director: Provided, That each licensee may make immaterial modifications to each authorized game set out in Hoyle. The following nonhouse-banked card games are authorized:

- (a) Poker;
- (b) Hearts;
- (c) Pinochle;
- (d) Cribbage;
- (e) Rummy;
- (f) Panguingue (Pan);
- (g) Pitch;
- (h) Bid Whist;

230-15-008 Requirements for authorized card games.

- (1) In order for a game to be authorized, the game must:
 - (a) Be played with standard playing cards or with approved electronic card facsimiles; and
 - (b) Offer no more than two separate games with a single hand of cards. We consider bonus features and progressive jackpots separate games. If a player does not have to place a separate wager to participate, we do not consider it a separate game. An example of this is an "envy" or "share the wealth" payout when another player achieves a specific hand; and
 - (c) Not allow side bets between players; and
- (2) A list of all approved games and the rules of play are available at all commission offices and on the Commission website.
- (3) Card game licensees may use more than one deck of cards for a specific game. They also may remove cards to comply with rules of a specific game, such as pinochle or Spanish 21; and
- (4) Players must:
 - (a) Compete against all other players on an equal basis for nonhouse-banked games or against the house for house-banked games. All players must compete solely as a player in the card game; and
 - (b) Receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager; and
 - (c) Not place wagers on any other player's or the house's hand or make side wagers with other players, except for
 - (i). An insurance wager placed in the game of blackjack; or
 - (ii). An "envy" or "share the wealth" wager which allows a player to receive a prize if another player wins a jackpot or odds-based wager; or
 - (iii). A tip wager made on behalf of a dealer; and
- (5) A player's win or loss must be determined during the course of play of a single card game.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-010 Rules of play for all card games.

- (1) Social card games shall be played in the following manner:
 - (a) The game must be played with one or more standard decks of playing cards or with approved electronic card facsimiles which meet the requirements of WAC 230-40-070 (1)(c): Provided, That cards may be removed to comply with rules of a specific game, such as pinochle;
 - (b) Players shall compete against all other players on an equal basis for nonhouse-banked games or against the licensee for house-banked games;
 - (c) Each player shall receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager;

(d) Players shall not place wagers on any other player's or the house's hand and no side bets between players are allowed: Provided, That the following shall not be in violation of this section:

- (i) An insurance bet placed in the game of blackjack;
 - (ii) A tip wager made on behalf of a dealer; or
 - (iii) "Envy" provisions which allow a player to receive a prize if another player wins a jackpot or odds wager;
- (e) A player's win or loss shall be determined during the course of play of a single card game; and
- (f) No more than two separate games shall be played with a single hand of cards. For purposes of this section, bonus features and progressive jackpots are considered a game: Provided, That bonus features that allow a player to receive an additional prize if another player achieves a specific hand, such as "envy" or "share the wealth" features, shall not be considered a separate game if the player does not have to place a separate wager to participate.

....(3) cont'd

A list of all approved games, modifications to games, and rules of play shall be available at all commission offices.

The director may approve games in which the determination of whether a player wins or loses depends upon one or more of the following:

- (a) The player's hand is a specific:
 - (i) Pattern or ranking of cards (pair, straight, flush, royal flush, etc.);
 - (ii) Combination of cards (two queens of hearts, ace and jack of spades, three sevens, etc.); or
 - (iii) Value of the cards (seventeen, twenty-one, etc.); and/or
- (b) The player has a higher ranking or value hand than the house/dealer/banker.

230-15-010 Authorizing new games or changing game rules.

Card game licensees must operate only the card games we have specifically authorized. We authorize each new card game or changes to existing card games on an individual basis.

(1) Card game licensees must submit:

- (a) Requests for authorizing new card games in the format we require; and
- (b) Changes to an existing card game in writing.

(2) If we deny the licensee's request, we will notify the licensee in writing. The notification will include reasons for the denial and provide the licensee all information necessary for a petition to the commission for rule making.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-010 Social card games -- Rules of play -- Types of card games authorized.

Social card games shall be played using rules and procedures as set forth in this section. Only card games that have been specifically authorized are allowed to be played in public or social card rooms.

[Statutory Authority: RCW 9.46.070. (1), (2), (11), (14) and (20).]

(i) Other games or modifications to approved games may be approved by the director, or the director's designee, on a case-by-case basis. Requests for approval of a game must be submitted in writing, and include the rules of play and all wagering schemes.

Procedures for when a proposed game is denied.

(5) The licensee shall be notified in writing when the director denies a request for a new game or modification of a game. The notification shall include reasons for the denial and provide the petitioner all information necessary for a formal petition to the commission for rule making, amendments, or repeal, as set forth in WAC 230-50-800.

What we changed: In the past, staff allowed any licensee to object to a withdrawal of approval for a card game. We have changed the rule so that only an owner of the proprietary rights to the game may file an objection if we withdraw our approval of a game. For example, if we have seven card rooms running "Pai Gow Lucky Seven," and we decide to withdraw approval for that game, we would only allow the owner of the rights to "Pai Gow Lucky Seven" to object to the withdrawal. We also changed objection to "in writing."

Why: We have approved eighty-six card games. We have not withdrawn a card game since we've had permanent house-banked card game rules (2000), so the likelihood of withdrawal and the impact to licensees is minimal. Most games now are patented, so the owner or manufacturer would be in the position to make changes to prevent the withdrawal. Further, we do not track which licensees are running which card games. The objection must be in writing because we are creating a record for the ALJ and we can't do that with a verbal objection phoned to an agent.

230-15-011 Withdrawing approved card games.

If we withdraw our approval of a card game:

(1) We will give the licensee who owns the rights to the game written notice and an opportunity to object to the decision. If the licensee files an objection in writing, an administrative law judge will review the decision.

(2) We will provide written notice to impacted licensees after a final decision is made.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-010 Removing an approved game from play.

(4) Once a game is approved for play, the director shall not remove it from the authorized list of games without providing licensees written notice. Licensees shall be afforded an opportunity to object to the director's decision. If an objection is filed, an administrative law judge shall review the director's decision utilizing the brief adjudicative procedures set forth in WAC 230-50-010.

230-15-012 Limit on number of players at each table.

Card game licensees must only allow:

- (1) Up to seven players or areas for wagering at any table in house-banked card games.
- (2) Up to ten players at any table in nonhouse-banked card games.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-030 Number of tables and players limited.

No licensee shall allow more than fifteen separate tables at which card games are played. No licensee shall allow more than ten players for nonhouse-banked card games and seven players and/or areas for wagering at house-banked card games to participate at any one table at any given time. Each table shall be permanently numbered and readily identifiable by the licensee's surveillance system.

[Statutory Authority: RCW 9.46.070.]

Admin Team—where do the aggregate limits go?**230-15-013 Posting rules for play.**

Card game licensees must:

(1) Prominently post:

- (a) Wagering limits for each type of game, including the ante; and
- (b) Prize pay-outs and any prize-related restrictions; and
- (c) All fees to play; and
- (d) Policies on employees being allowed to play; and
- (e) Procedures for resolving player disputes.

(2) Prominently post any general rules, or a sign stating that these rules are available immediately on request. These rules include, at least:

- (a) Rules of play; and
- (b) Methods of making wagers; and
- (c) Procedures for misdeals; and
- (d) Procedures for betting irregularities; and
- (e) Procedures for splitting pots; and
- (f) Any rules that may restrict a player's right to win a hand, pot, or jackpot prize; and

(g) Any rules regarding aggregate limits. Remove if 3 is okay

(3) Post at the gambling table **any aggregate limits**, procedures, or restrictions that differ from the general rules of play that have been posted.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-505 Rules of play for social card games -- Display -- Posted rules.

(2) Any rules related to the following shall be conspicuously posted in a location readily visible by all players.

- (a) Wagering limits for each type of game, including the ante as specified in WAC 230-40-120(3);
- (b) Prize pay-outs and any restrictions related to prizes;
- (c) Whether employees are allowed to play;
- (d) Procedures for resolving player disputes; and
- (e) For player-supported jackpots (PSJ):
 - (i) How a PSJ will be distributed in the event it is discontinued or the business closes;
 - (ii) Conditions under which prizes may be won;
 - (iii) Prize amount;
 - (iv) Cost to participate;
 - (v) Administrative fees; and
 - (vi) Any other conditions which may affect the outcome of the game.

Rules available for review.

(3) Any rules related to the following shall be conspicuously posted in a location readily visible by all players: Provided, That if a licensee chooses not to post these rules, the licensee shall conspicuously post a sign in a location readily visible by all players stating that the rules are immediately available upon request for review by commission staff, local law enforcement, or a player:

- (a) Methods of making wagers;
- (b) Procedures for misdeals;
- (c) Procedures for betting irregularities;
- (d) Procedures for splitting pots; and
- (e) Any other rules that may restrict a player's right to win a hand, pot, or jackpot prize.

Rule Summary for the Rule Below

What we changed: The original rule states that the applicability of rules of play is determined by these priorities and lists the four priorities. We changed the language of the rule to emphasize that the order of priority is how we will *enforce* rules of play.

Why: We wrote the original rule to indicate how licensees should conduct games. The proposed change establishes that our enforcement is consistent with the rules for conduct of card games.

230-15-014 Enforcement of card game rules of play.

Card game licensees must conduct card games according to the approved rules of play. We enforce rules of play in the following order:

- (1) **First priority:** rules explained in Title 230 WAC; and
- (2) **Second priority:** rules explained by a licensed manufacturer of a patented game that we have approved; and

- (3) **Third priority:** rules explained in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Modern Encyclopedia of Card Games*; and
- (4) **Fourth priority:** house rules card game licensees have developed and we have approved.

[Statutory Authority: RCW 9.46.0282. RCW 9.46.070.]

WAC 230-40-505 Rules of play for social card games -- Display -- Availability for review.

Social card games shall be conducted in accordance with predetermined rules of play. Such rules shall be maintained on the licensed premises and immediately available, upon request, for review by commission staff, local law enforcement, or a player. The following requirements apply to rules of play:

Precedence of rules.

(1) The applicability of rules of play shall be as determined by the following precedence, in order of importance:

- (a) **First priority:** Codified rules set forth in Title 230 WAC;
- (b) **Second priority:** Specific rules set forth by a licensed manufacturer of a patented game and approved under WAC 230-40-010;
- (c) **Third priority:** Rules set forth in *The New Complete Hoyle, Revised*, *Hoyle's Modern Encyclopedia of Card Games*, or a similar authoritative book on card games approved by the director: Provided, That licensees may make immaterial modifications to game rules set forth in Hoyle; and
- (d) **Fourth priority:** House rules developed by the licensee and approved by commission staff.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-505, filed 6/19/01, effective 7/20/01.]

What we changed: We removed this rule entirely.

Why: The original rule was passed in 1974. No game rules would allow licensees to change the method of wagering in the middle of a hand or game, so we felt the rule was unnecessary. We also have alternative ways to enforce this concept: we would not approve a game in future that allowed wagering methods to change in mid-hand or mid-game.

~~WAC 230-40-140 Change in method of wagering prohibited.~~

~~Once a method of betting is chosen for a particular hand or game, that method must be used until the hand or game is completed.~~

~~[Order 23, § 230-40-140, filed 9/23/74.]~~

230-15-015 Fee restrictions for nonhouse-banked card games.

(1) The licensee must collect the same fee from all players at a table. If the licensee allows free play, then all players at a table must be allowed to play for free. If card game licensees base their fees on a period of time, they may allow card room employees and owners to play without a fee.

(2) Card game licensees must not require players to pay for or purchase any other goods or services as a condition of playing cards; and

(3) Card game licensees may collect an admission fee when providing entertainment, as long as they charge all patrons the fee.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-050 Fees for nonhouse-banked card games -- Assessment and collection -- Maximum fees.**No extra fees to play cards - exceptions.**

(4) No player shall be required to pay for or purchase any other goods or services as a condition of playing cards: Provided, That:

(a) A bona fide nonprofit or charitable organization may charge its usual membership fee to belong to the organization; and

(b) Licensees may collect an admission fee when providing entertainment, as long as the fee is charged to all patrons;

Same fee for all players - exception.

(7) The licensee shall collect the same fee from all players at a table. If the licensee elects to allow free play, then all players at a table must be allowed to play for free: Provided, That a licensee may allow licensed card room employees and owners to play without a fee if fees are based on time, as authorized by subsection (1)(a) of this section.

[Statutory Authority: RCW 9.46.0281, 9.46.070 (1), (2), (4)-(8), (11), (12), (14) and (20). RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (9), (11), (14) and (17) and 9.46.020 (19) and (23). RCW 9.46.020 (20)(d), 9.46.050(3) and 9.46.070 (1), (2), (5), (8), (9), (11) and (12).]

230-15-015a Charging and collecting fees for nonhouse-banked card games.

Nonhouse-banked card game licensees must:

(1) Not charge fees, directly or indirectly, in excess of those fees set forth in this section, except that nonprofit or charitable card game licensees may charge their usual membership fee to belong to the organization.

(2) Keep all fee collections separate from all other chips and cash until they record the fees in the daily card room records and deposit the fees in the cashier's cage (if applicable). All chips and cash in the cashier's cage must be kept separate from all other chips and cash located on the licensed premises at all times card games are conducted.

- (3) Keep and record fees separately from all other fees and have the records available for audit by commission staff, local law enforcement, and taxing authorities.

[Statutory Authority: RCW 9.46.070.]

230-15-015b Authorized fees and authorized methods of collection.

Card game licensees must assess only one type of fee at a table at any given time. Authorized types of fees, card game licensees authorized to use those types, and authorized methods of collection and requirements are:

Authorized types of fees	Card game licensees authorized to use the fee types	Authorized methods of collection
<p>(1) Period of time –</p> <ul style="list-style-type: none"> (a) Card game licensees may charge a fee of not more than ten dollars per hour, per player; and (b) Card game licensees must collect the fee at least once per hour at times the licensee chooses, for example, at thirty minute increments; and (c) Card game licensees must record all fees immediately after collection; or 	<p>Class A, B, C, E; Class F licensees must only use direct collection when basing fees on period of time.</p>	<p>Direct Collection; or Chip rack - only allowed if licensed for three or fewer tables; or Drop box.</p>
<p>(2) Per hand played –</p> <ul style="list-style-type: none"> (a) Card game licensees may charge a fee of not more than one dollar per hand, per player; and (b) Players must place fees charged on a per-hand basis in a designated area of the table and dealers must collect them before dealing the first round of cards; and (c) After collecting the fees, dealers must deposit all chips or coins in either the drop box or chip rack ; or 	<p>Class F</p>	<p>Drop box; or Chip rack - only allowed if licensed for three or fewer tables.</p>
<p>(3) Rake –</p> <ul style="list-style-type: none"> (a) Only Class F and house-banked licensees may use this type of fee; and (b) Class F and house-banked licensees may charge a fee of not more than five dollars per hand or ten percent of the total wagers for a hand, whichever is less; and (c) Dealers must collect fees charged on the amounts wagered during the play of the hand and place the fees in a 	<p>Class F</p>	<p>Drop box; or Chip rack - only allowed if licensed for three or fewer tables.</p>

designated area of the table; and (d) Once dealers accumulate the maximum fee for a hand, they must spread the chips or coins to allow players and the surveillance system to view the amount collected. After spreading the chips or coins, the dealer deposits them in either the drop box or chip rack.		
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What we changed: We took out a sentence that stated that the director could authorize alternative methods of collection.

Why: There are no alternative methods of collection that we are aware of.

230-15-015 c Requirements for authorized methods of collecting fees

(1) **Direct collection** – Card game licensees using the direct collection method must have a licensed card room employee other than the dealer collect fees directly from each player and deposit the fees in the bank area serving the card room.

(2) **Drop box** – Fees are temporarily stored in a numbered, locked drop box. Card game licensees using the drop box method must have:

- (a) A licensed dealer; and
- (b) A table with a designated area for each type of fee, or fees, removed from the pot; and
- (c) A separate drop box for each type of fee; or

(3) **Chip rack** – Card game licensees using the chip rack method must:

- (a) Have a licensed dealer; and
- (b) Use a game lay-out with a designated area for player fees; and
- (c) Use a chip rack separated into sections for each type of fee collected; and
- (d) Ensure that dealers temporarily store and control fees in the chip rack until the floor supervisor collects the fees; and
- (e) Ensure that the licensed card room employee responsible for that area of the card room remove all chips collected as fees from the dealers' chip racks at least every four hours; and
- (f) Have licensed card room employees count chips and coins in the presence of players and immediately record the totals on the record in a format we require.
- (g) Have the dealer and floor supervisor who remove the chips and coin each initial the commission record verifying its accuracy.

[Statutory Authority: RCW 9.46.070.]

230-15-015b Requirements for drop boxes.

Drop box means a metal container attached to each gambling table into which the dealer must deposit all chips and cash collected during play and, if required, insert card room control slips

(1) When using the drop box method for collecting fees, nonhouse-banked card game licensees must locate the drop box in a position that is isolated from the pot area and in plain view of all players and the surveillance system.

(2) Each drop box must have:

- (1) **A box lock** — A lock securing the contents; and
- (2) **A table lock** — A separate lock securing the drop box to the gambling table. Card game licensees must key this lock differently from the lock securing the contents of the drop box; and
- (3) **An opening** — An opening through which chips and forms can be inserted into the drop box and located in a position that is isolated from pot areas and in plain view of all players and the surveillance system; and
- (4) **A label** — A permanent number clearly visible and which corresponds to a permanent number on the gambling table to which the box is attached. The shift during which the box was used must also be included if drop boxes are removed from tables more than once during an operating day. Card game licensees may keep emergency drop boxes if the box has the word "emergency" permanently on it, and, when it is put into use, licensees temporarily mark it with the number of the gambling table.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-050 Fees for nonhouse-banked card games -- Assessment and collection -- Maximum fees.

No person shall be charged a fee, directly or indirectly, to play in a nonhouse-banked card game in excess of those fees set forth in this section. Each type of fee shall be maintained and recorded separately from all other fees and be available for audit by commission staff, local law enforcement, and taxing authorities.

Assessing fees.

(1) The following are authorized methods of assessing fees for playing social card games. Only one method of assessing fees may be used at a table at any given time:

- (a) **Fees based on a period of time** - A specific fee of not more than ten dollars per hour, per player, may be charged to play social card games: Provided, That a licensee may collect the hourly fee in thirty-minute increments;
- (b) **Fees for each hand played** - A specific fee of not more than one dollar per hand, per player, may be charged to play social card games;
- (c) **Fees based on the amounts wagered during a hand (rake)** - A portion of the total amount wagered by a player, not to exceed five dollars per hand or ten percent of total wagers for a hand, whichever is less, may be collected for playing social card games; or....

Collecting fees.

(2) Fees shall be collected by a licensed card room employee in the following manner:

(a) **Period of time.** Fees assessed on a period of time shall be collected directly from each player by the dealer or floor supervisor responsible for that particular section of the card room. The "direct collection," "chip rack," or "drop box" methods set forth in this section may be used for collection of fees assessed on a period of time;

(b) **Per-hand fee.** Fees assessed on a per-hand basis shall be placed in a designated area of the table by the player and collected by the dealer before the first round of cards has been dealt. After collection, the dealer shall deposit all chips or coins in the chip rack or drop box, as applicable;

(c) **Rake.** Fees assessed on the amounts wagered during a game shall be collected by the dealer during play of the hand and placed in a designated area of the table. Once the maximum fee for a hand is accumulated, the dealer shall spread the chips or coins to allow players and the surveillance system the ability to verify the amount collected. After verification, chips shall be deposited in the dealer's chip rack or drop box, as applicable;

... (e) **Alternative collection of fees.** Licensees may apply to the director for approval of alternate fee collection methods. If approved, the method of collection shall be set forth in the letter granting approval.

Methods of collection.

(3) All fees collected from players shall be maintained and recorded as set forth in WAC 230-40-052. All collections shall be kept separate from all other chips and cash in the card room until recorded in the daily card room records and deposited in the cashier's cage. All chips and cash in the cashier's cage shall be kept separate from all other chips and cash located on the licensed premises at all times card games are conducted. The following methods may be used for control of fees collected for card games:

(a) **Direct collection method** - This collection method may only be used when assessing fees based on a period of time. Fees are collected directly from each player by a licensed card room employee responsible for that particular section of the card room and deposited in the card room cage serving the area of the card room from which collections are made. Collections shall be made at least once per hour, at times designated by the licensee. All fees shall be recorded immediately upon collection, per WAC 230-40-052.

(b) **Chip rack method** - This method is allowed for licensees that are licensed with three or fewer tables. It requires a licensed center dealer, a game lay-out with a designated area for player fees, and a chip rack separated into sections for each type of fee collected. Fees are temporarily stored in the chip rack and controlled by a licensed dealer until collected by the floor supervisor. All chips collected as fees shall be removed from the dealer's chip rack at least every four hours by the licensed card room employee responsible for that particular section of the card room. The removal process shall include the counting of chips and coins in the presence of players and immediately recording the totals on the

record prescribed by the commission. The dealer and the supervisor making the removal shall each initial the prescribed record verifying its accuracy.

(c) **Drop box method** - Fees are temporarily stored in a numbered, locked drop box. The drop box method requires a center dealer, a table with a designated area for each type of player fee and/or fees removed from the pot, and a separate drop box for each type of fee. Drop box movement, storage, and counting shall be conducted as prescribed in WAC 230-40-840. The drop box shall be located in a position that is isolated from the pot area and in plain view of all players and the surveillance system.

WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.

(c) **Drop box method** - Fees are temporarily stored in a numbered, locked drop box. The drop box method requires a center dealer, a table with a designated area for each type of player fee and/or fees removed from the pot, and a separate drop box for each type of fee. Drop box movement, storage, and counting shall be conducted as prescribed in WAC 230-40-840. The drop box shall be located in a position that is isolated from the pot area and in plain view of all players and the surveillance system.

All card room licensees operating house-banked card games or collecting fees utilizing the drop box collection method (WAC 230-40-050) shall use a drop box. Drop boxes shall be constructed and controlled in a manner to provide security of contents and shall meet the following requirements and procedures:

Drop box requirements.

(1) Each gaming table shall have attached to it a metal container known as a "drop box" into which all cash, duplicate fill slips and credit slips, request for fills, request for credits, and table inventory forms shall be deposited.

(2) Each drop box shall have the following:

Box lock.

(a) A lock securing the contents. The key to this lock shall be maintained and controlled by the accounting department;

Table lock.

(b) A separate lock securing the drop box to the gaming table. This lock shall be keyed differently from the lock securing the contents of the drop box. The key utilized to unlock this lock shall be maintained and controlled by the security department;

Opening on box.

(c) An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;

Labeling drop boxes.

(d) Permanently imprinted or impressed thereon and clearly visible, a number corresponding to a permanent number on the gaming table to which it is attached and a marking to indicate the game. The shift shall also be included if drop boxes are removed from tables more than once during an operating day: Provided, That emergency drop boxes may be maintained without such number or marking, if the word "emergency" is permanently imprinted or impressed thereon, and when put into use, are

temporarily marked with the number of the gaming table and identification of the game and shift.

Rule Summary got rid of "that business day" because there's no practical way to enforce unless we search everyone leaving the premises.

230-15-016x Only authorized cards or chips may be used.

(1) No one may bring a playing card or cards into a licensed card room to introduce or use in authorized card games.

(2) No one may bring any wagering chip or chips, other than those chips obtained from the licensed card room, into a licensed card room to introduce or use in authorized card games.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-080 Person not to bring their own cards or chips.

No person shall bring onto a premises licensed to allow the playing of card games, nor introduce into any card game, any playing card or cards, or any poker chip or chips for use in wagering, other than those obtained from the licensee on that business day.

[Order 40, § 230-40-080, filed 6/26/75; Order 23, § 230-40-080, filed 9/23/74.]

What we changed: We included Class B and Class C Charitable or Nonprofit card game licensees in this rule.

Why: These classes were inadvertently left out of the original rule.

230-15-016 Providing cards and chips in card rooms

(1) Card game licensees, except for Class D licensees, must supply all chips and cards and not allow any other chips or cards to be used on their premises.

(2) Card game licensees must not charge additional fees to players for chips and cards except as allowed under **WAC 230-15-100.**

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-070 Licensee to furnish all cards, chips and other services.

Each public card room and Class A social card room licensee shall furnish all chips and cards in connection with all card games conducted on its premises at no additional charge to the players, except as provided in WAC 230-40-050(6).

[Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (11), (14) and (17) and 9.46.0282. 9.46.0281.]

230-15-017 Standards for chips.

(1) Chips must be of conventional size and design that maximize the integrity of the card games. Chips must be identifiable as belonging to the licensee and must:

- (a) Include the house name or logo; and
- (b) Denote the chip value; and
- (c) Be made by a licensed manufacturer; and
- (d) Be purchased from a licensed manufacturer or distributor.

(2) Class D licensees are exempt from subsection (1).

(3) Card game licensees must:

- (a) Safeguard all chips in their possession; and
- (b) Not allow any other person to buy or sell chips for use in card games on their premises.

(4) We exempt Class A, B, C, and E licensees with five or fewer tables from including a house name or logo if the chips are identifiable as belonging to the licensee and they prominently post values of the chips in the card room.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-070 Licensee to furnish all cards, chips and other services.

All chips and cards shall be of generally conventional size and design, and include safeguards that maximize the integrity of the card games. The following standards and procedures apply to this section:

(1) The licensee shall furnish chips and cards that meet the following requirements:

(a) **Chips.** Chips must include the house name or logo, clearly denote the chip value, be produced by a licensed manufacturer, and purchased from a licensed manufacturer or distributor: Provided, That the director may exempt Class A, B, C, and E licensees with five tables or less from this provision if chips are readily identifiable as having been furnished by that particular licensee and values of chips are clearly posted in the card room: Provided further, That Class D licensees are exempt from the provisions set forth in this subsection; and ...Licensees shall not allow

(4) (b) Any cards or chips which are not furnished by the licensee to be used in any card game conducted upon its premises; or

(c) Any other person to buy or sell chips for use in card games upon its premises.

230-15-018 Standards for cards.

(1) Card game licensees must:

- (a) Supply cards of conventional size and design to maximize the integrity of the card games; and
- (b) Safeguard all cards; and
- (c) Not allow cards that have been modified or marked in any manner.

(2) For Class E, Class F, and house-banked games, the cards must:

- (a) Be made by a licensed manufacturer; and
- (b) Be purchased from a licensed manufacturer or distributor.

(3) House-banked licensees must use cards with the house name or logo.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-070 Licensee to furnish all cards, chips and other services.
Standards for chips and cards.**

(1) (b) **Cards.** For all house-banked card games, the deck or decks of cards must meet the following requirements:

- (i) Include the house name or logo;
- (ii) Be produced by a licensed manufacturer; and
- (iii) Be purchased from a licensed manufacturer or distributor.

...Protecting the integrity of cards and chips.

(4) The licensee shall safeguard all chips and cards to assure integrity of games. Licensees shall not allow:

- (a) Playing cards that have been shaved, sanded, cut, carved, or otherwise marked in any manner which may make certain cards identifiable to players other than as allowed by the rules of the particular game.
- (b) Any cards or chips which are not furnished by the licensee to be used in any card game conducted upon its premises; or
- (c) Any other person to buy or sell chips for use in card games upon its premises.

230-15-101 Fees for cutting cards in player-dealt games.

In player-dealt games:

(1) After the shuffle the dealer must offer the cards for a cut. After this initial offer of a cut, the dealer may require that players pay a maximum of one dollar for cutting the cards.

(2) Dealers must:

- (a) Not cut the cards more than twice during each hand or game; and
- (b) Place all the fees for cutting the cards into the pot for that hand or game.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-063 Charge for cutting cards.

After the shuffle, the dealer will offer the cards for a cut. Following this initial offer of a cut, the licensee may require that a player pay not more than one dollar for the privilege of cutting the cards, provided that the cards may not be cut more than twice during each hand or game and that any and all such fees be placed into the pot for that hand or game.

[Statutory Authority: RCW 9.46.070 (8) and (11).]

230-15-019 Wagering limits for nonhouse-banked card games.

Card room licensees must not exceed these wagering limits:

(1) **Poker -**

- (a) There must be no more than five betting rounds in any one game; and
- (b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and
- (c) The maximum amount of a single wager must not exceed twenty-five dollars; and

(2) **Games based on achieving a specific number of points -** Each point must not exceed five cents in value; and

(3) **Ante -** No more than the maximum wager allowed for the first betting round for any game, except for panguingue (pan). The ante may, by house rule:

- (a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round.
- (b) May be used as part of a player's wager;

(4) **Panguingue (pan) -** the maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two chips from each participating player.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-120 Limits on wagers in card games.

Social and public card room licensees shall not allow wagering limits set by the commission to be exceeded in any card game. The number and value of wagers in card games are limited as follows:

Nonhouse-banked card games.

(1) **Poker:**

- (a) There shall be no more than five betting rounds in any one game;
- (b) The maximum number of wagers in any betting round shall be four, comprised of an initial wager plus three raises; and
- (c) The maximum amount of a single wager shall not exceed twenty-five dollars;

(2) **Games based on achieving a specific number of points -** each point shall not exceed five cents in value;

(3) **An ante, except for panguingue (pan),** shall not be more than the maximum wager allowed for the first betting round for any game. The ante may, by house rule, be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round. An ante, by house rule, may be used as part of a player's wager;

(4) **Panguingue (pan) -** the maximum value of a chip for a payoff shall not exceed ten dollars. An ante will not exceed one chip. Doubling of conditions is prohibited. Players going out may collect not more than two chips from each participating player;

[Statutory Authority: RCW 9.46.020 (20)(d);RCW 9.46.070 (1), (2), (8), (10), (11) and (14) and RCW 9.46.110; RCW 34.05.220(4), [34.05]]

230-15-020 Wagering limits for house-banked card games.

- (1) A single wager and bonus wagers for an odds-based payout must not exceed two hundred dollars.
- (2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For blackjack, the player may place an additional wager for doubling down or splitting pairs.
- (3) Bonus wagers for progressive jackpots must not exceed one dollar.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-120 Limits on wagers in card games.

- (5) Licensees authorized to conduct house-banked card games shall not allow a single wager to exceed two hundred dollars;
- (6) A single wager may be made for each decision made by the player before additional cards are dealt or revealed. In addition, for blackjack, an additional wager may be placed for doubling down or splitting pairs; and
- (7) Bonus wagers for house-banked progressive jackpots shall not exceed one dollar. Bonus wagers with a predetermined prize amount based upon a separate element of chance within the same game shall not exceed the authorized maximum table limits as described in subsection (5) of this section.

[Statutory Authority: RCW 9.46.020 (20)(d);RCW 9.46.070 (1), (2), (8), (10), (11) and (14) and RCW 9.46.110; RCW 34.05.220(4), [34.05]]

230-15-021 Making wagers with chips and coin.

Players in card games must make all wagers and pay fees to play card games with chips, except that:

- (1) Players may use half dollars or quarters in house-banked card games.
- (2) Players may use dimes and nickels in pai gow poker.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-130 Wagers to be made with chips only.

All wagers and fees to play made in connection with a card game shall be made with chips furnished by the licensee: Provided, That house-banked card games may use coins with a value of fifty cents or twenty-five cents: Provided further, That coins with a value of less than twenty-five cents may be used for pai gow poker games.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-130, filed 4/14/00, effective 5/15/00; Order 23, § 230-40-130, filed 9/23/74.]

What we changed: Added in section (6).

Why: We clarifying original rule language about separate transactions for each purchase. In particular, we wanted to emphasize that checks, once received by the cashier, cannot be altered. Players must write a second check if they want to buy more chips later, instead of altering a check already received at the cashier's cage.

230-15-022 Selling and redeeming chips.

Card game licensees must:

- (1) Sell chips and redeem chips at the same value; and
- (2) Keep all funds from selling chips separate and apart from all other money received; and
- (3) Sell chips for cash or check, if the check meets the requirements of WAC 230-06-005; and
- (4) Deposit any check no later than the second banking day after they received the check; and
- (5) Not extend credit to a person purchasing chips, including to card room employees playing cards; and
- (6) Count each transaction for the purchase of chips as a separate transaction; for example, do not allow a player's check to be altered after it is exchanged for chips.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-070 Licensee to furnish all cards, chips and other services. Bank services.

(2) The licensee shall sell its chips to all players desiring to buy them and redeem all chips at the value for which they were sold. The licensee shall collect the money taken in on chips sold and fees collected and shall keep these funds separate and apart from all other money received by the licensee.

Selling chips for cash or check.

(3) Chips shall be sold for cash only and a licensee shall not extend credit of any nature to a person purchasing chips: Provided, That a licensee may accept a check in accordance with WAC 230-12-053 and 230-40-845. Each receipt by a person of a quantity of chips from the licensee shall be a separate transaction for the purpose of this rule. Checks received for chips retained by the licensee after close of business shall be deposited by the licensee not later than the second day following receipt upon which the licensee's bank is open for business.

230-15-023 Keeping records of returned checks.

(1) Card game licensees may use a guarantee service to pre-approve checks. The bank may send the original dishonored check to the guarantee service.

(2) If card game licensees do not use a guarantee service or choose not to use their guarantee service to pre-approve a particular check, licensees must:

- (a) Keep records of all returned checks in the format we require and make the records available to the cashier; and
- (b) Prohibit persons who submitted dishonored checks from submitting additional checks until the person pays the amount owed in full; and
- (c) Have all dishonored checks returned directly to them and control the checks.

(3) Card game licensees may immediately redeposit a check that was dishonored if they have sufficient reason to believe the check will be honored the second time.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-845 Procedures for exchange of checks submitted by gaming patrons at cashier's cage.

(5) All checks dishonored by a bank (returned checks) shall be returned directly to, and controlled by, accounting department employees: Provided, That if a collection agency is used which maintains dishonored checks, a photocopy of the check shall be sufficient.

(6) Records of all returned checks shall be maintained by accounting department employees and shall be available to cashiers. Such records shall include, at a minimum, the following:

- (a) The date of the check;
- (b) The name of the drawer of the check;
- (c) The amount of the check;
- (d) The date(s) the check was dishonored; and
- (e) The date(s) and amount(s) of any collections received on the check after being returned by a bank.

(7) If a check is dishonored, the name of the person who submitted the check shall be kept in a log and available to the cashier. Such person shall be prohibited from submitting additional checks until the amount owed is paid in full: Provided, That a check dishonored by a bank may be immediately redeposited if there is sufficient reason to believe the check will be honored the second time.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-845, filed 4/14/00, effective 5/15/00.]

230-15-024 Providing dealers.

(1) "Dealer" means a licensed card room employee that conducts card games, deals cards, collects or pays off players' bets, or collects fees. Card room licensees:

- (a) May provide a dealer in any card game; and
- (b) Must have a dealer for all house-banked card games, card games operated with a player-supported jackpot, or card games authorized to charge per-hand fees or take a rake.

(2) Dealers must not play in the games while dealing and must have no financial interest in the outcome of the games, except that we allow tip wagers.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-225 House dealer allowed in certain games.

Any licensee may furnish a dealer in any game played on the licensed premises. Dealers shall have no financial interest, directly or indirectly, in the outcome of such game and shall not otherwise participate or play in the game: Provided, That a licensee shall be required to have a house dealer for all house-banked card games, card games operated with a player-supported jackpot, or card games authorized to assess fees for each hand played or fees based on amounts wagered.

[Statutory Authority: RCW 9.46.070. (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4).]

Combined with 024

WAC 230-40-562 Dealer defined.

A dealer is a licensed card room employee who is responsible for conducting card games and deals cards, collects and pays off players' bets, and collects fees. The dealer shall also be responsible for signing forms as required.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-562, filed 4/14/00, effective 5/15/00.]

What we changed: We removed the requirement that photos of card room employees be posted in the card room.

Why: When the house-banked card game license was introduced in 1997, we removed the requirement for employers to post these photos because of safety and privacy concerns of card room employee licensees. It is also unreasonable to require licensees to post the photos of eighty to ninety employees.

230-15-025 Photos of card room employees required.

Card game licensees must have photographs of their licensed card room employees with the employees' licenses, available for inspection on the premises. The photo must be of a passport type not less than 2" x 3" and clearly show a full facial view of the employee.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-450 Pictures to be posted with employee licenses.

The operator of a licensed public card room shall post together with each of the licenses of employees for which licenses are required a picture of that employee.

Such picture shall be of a passport type not less than 2" x 3" and clearly showing a full front facial view of that employee.

[Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11). 83-06-077 (Order 127), § 230-40-450, filed 3/2/83.]

230-15-026 Playing for or assisting others prohibited.

No person may:

- (1) Allow a representative to sit in on a card game on their behalf for any purpose.
- (2) Allow anyone to render assistance to any player in the game in a manner which gives that player an advantage over other players.
- (3) Act as such a representative.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-230 No person shall have someone play for him or assist another participant.

No persons shall allow a representative to sit in on a card game on his behalf for any purpose, or to render assistance to any participant in the game in a manner which gives that participant an advantage over other participants. No person shall act as such a representative.

[Order 23, § 230-40-230, filed 9/23/74.]

What we changed: In the original rule, we required licensees to notify local law enforcement immediately. The new rule matches the current practice of reporting cheating in which they notify us within three days.

Why: We wanted to make the rule match the current practice.

230-15-027 Preventing cheating in card games.

- (1) Card game licensees must take necessary steps to prevent cheating and ensure that games are played fairly.
- (2) If card game licensees find someone cheating, they must report it to us within three business days and contact the local law enforcement agency immediately in urgent situations.

[Statutory Authority: RCW 9.46.070; RCW 9.46.153.]

WAC 230-40-250 Licensee to prevent cheating in card games.

A licensee to allow certain premises to be used to play cards and his employees or agents shall not allow any player to play in such a manner as to cheat the persons with whom he is playing. The licensee shall take all necessary steps to prevent this and shall be responsible to insure that the games played upon the licensed premises are fairly played.

Any incident wherein a person is found cheating shall be reported immediately to the applicable local police or sheriff's office.

[Statutory Authority: RCW 9.46.070(10). 78-06-066 (Order 85), § 230-40-250, filed 5/25/78; Order 23, § 230-40-250, filed 9/23/74.]

What we changed: We are changing the amount of time within which we must receive notice of a card room employee terminating employment. The original rule required they report to us "not later than 5 p.m. on the seventh day" after the card room employee terminates employment. We have changed that to "within ten days of the employee terminating."

Why: The change is less restrictive than the previous rule and provides a reasonable amount of time for the licensee to respond. We have attempted in other rules to standardize the timing of reporting by requiring notice within thirty days; however, in this case, thirty days is not a reasonable amount of time because field staff needs to know who is working in a particular location at a given time.

230-15-028 Reporting card room employees no longer working.

Card game licensees, except Class B or Class D, must notify us in writing when a card room employee no longer works for them. We must receive the notice at our Lacey office within ten days of the card room employee terminating employment.

[Statutory Authority: RCW 9.46.070.]

WAC 230-04-142 Notification to the commission upon beginning, terminating, or changing employment -- Public card room employees.

A licensed public card room operator shall notify the commission in writing when a card room employee has begun work in the card room or has terminated employment for any reason.

(1) The notification shall be submitted on a form provided by the commission.

(2) Each notification shall be completed on or before the card room employee's first day of work or when the employer determines the card room employee will no longer be working, as applicable, and shall reach the administrative office of the commission in Lacey, not later than 5 p.m. on the seventh business day following the employee's first day of work or last day of work, as applicable.

~~(3) ((The fee for transferring, adding, or converting from Class III shall be set forth in WAC 230-04-204 and will be paid by the card room employee at the time of license renewal.))~~

A fee must be paid when a licensed card room employee or certified class III employee begins working at another location. The fee is in WAC 230-04-204 and must be paid prior to beginning work at the new location.

(4) This rule shall not apply to persons operating a public card room under a Class B or Class D license only.

General Records and Recordkeeping for Card Rooms

Rule Summary for Rule Below

What we changed: We are removing this rule.

Why: This rule was originally passed in 1982 and no longer reflects card room practices. Most card rooms are using the rake method to collect fees and aren't charging on a time basis. Licensees may also give away food and nonalcoholic drinks without charge now according to 230-06-035 (formerly 230-12-050).

~~WAC 230-40-315 No food or drink sales on time basis in card room.~~

~~All sales of food or drink in the licensed card room must be charged for and collected at the time the food or drink is delivered to the customer. No licensee may charge a person playing cards in a licensed card room for food or drink on a time basis. For the purpose of determining whether a card room operator is operating the licensed card room as a commercial stimulant, the calculation of gross sales of food and drink shall not include any sale of food or drink on a time basis to a person playing cards in the licensed card room.~~

~~For purposes of this rule, a "time basis" means a charge for the consumption or opportunity to consume food or drink over a period of time.~~

~~[Statutory Authority: RCW 9.46.020(5) and 9.46.070(14).]~~

Rule Summary for the Rule

What we changed: We changed the requirement for when monthly records must be printed or backed up in a permanent form from "on a periodic basis" to a less ambiguous length of time: once per month.

Why: The previous language was vague.

230-15-029 Preparing card room records.

(1) Card game licensees must prepare all records in the format we require. Card game licensees must record the data in ink, on storage media, or in other permanent form.

(2) Card game licensees must print, or back up in a permanent form, all the data kept in computer databases monthly.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-052 Daily records -- Card games (cont'd) Daily summary.

(5) A daily summary record that includes a reconciliation of all fees collected during an operating day shall be prepared for each day card games are operated and fees collected. This record shall include at least the following:

- (a) The name of the licensed card room;
- (b) The date of the activity. If the activity spans two days, the day that the activity begins shall be recorded;
- (c) Card room hours of operation;
- (d) The beginning and ending balances of all chips and cash in the cage;
- (e) The printed name and signature of person(s) preparing the record; and
- (f) Such other daily records as required for specific card room activities.

WAC 230-08-010

WAC 230-40-052 Daily records -- Card games (cont'd)

Daily card room records shall be maintained as follows:

Minimum daily records.

In addition to any other requirements set forth in these rules, persons licensed to operate card rooms at which a fee is charged to play or which operates a player-supported jackpot (PSJ) or house-banked card games shall be required to prepare a detailed record covering each day of operation. Each separate record shall be maintained continuously during hours of operation and entries made as required by this section.

Format.

(1) The format for such records shall be as prescribed by the commission. The records shall include information to be placed in a form, record, document, or in stored data which shall be annotated in ink or other permanent form. Data maintained in computer data bases must be printed on a periodic basis.

(2) Separate records shall be prepared for each day social card games are played and fees collected or house-banked card games are operated. Such records shall be completed for each table and each PSJ for which fees are collected from players. The minimum daily records shall include the following information:

- (a) The date and time period during which fees were collected or house-banked card games were operated.
- (b) The assessment method and the fee charged per assessment method for each table.
- (c) The names and time of play for each nonpaying house player (which may only include licensed card room employees and the licensed card room operator);
- (d) The amount of fees collected at each table at each collection interval;
- (e) The gross amount received from fees collected on each operating day by table and by assessment method.
- (f) The number of players at the time of fee collection when fees are assessed based on a period of time;
- (g) A record of card room employees and hours worked; and
- (h) The total drop which includes all cash placed in drop boxes and the net win or loss by the table and game type from house-banked card games.

[Statutory Authority: RCW 9.46.070 (8), (14), and (17), RCW 9.46.0325.]

230-15-030 Keeping and making daily records available.

Card game licensees must:

- (1) Keep the daily records of card room operations for at least three years.
- (2) Keep the past six months of daily card room records on the premises of the card room and have them available for inspection.
- (3) Make other records available within forty-eight hours if we, local law enforcement, or taxing authorities request the records.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-052 Daily records -- Card games (cont'd)**Availability and length of storage.**

(6) All detailed records prepared shall be maintained for a period of not less than three years. At least the past six months of records must be available for inspection on premises. All other records shall be available within forty-eight hours upon request by commission staff, local law enforcement or taxing authorities.

What we changed: We are removing this rule.

Why: This rule was combined with rules covering the licensing of card room employees and now appears in WAC 230-03-265 of the Licensing Chapter.

~~WAC 230-02-415 Card room employee defined.~~

~~A "card room employee" is any person who is involved in the operation of social card games conducted by a card room when such games involve the collection of fees.~~

~~Individuals who only perform duties of bartenders, waitresses or similar functions limited to providing food and drink service within the card room portion of the licensed premises are not "card room employees." Persons performing at least the following functions shall be designated as card room employees:~~

- ~~(1) Collecting fees;~~
- ~~(2) Dealing;~~
- ~~(3) Supervising any card game or card room employee, such as acting as a pit boss, floor person, section supervisor, etc.;~~
- ~~(4) Cashier duties such as selling or redeeming chips;~~
- ~~(5) Surveillance of dealers and card games to detect cheating or control functions;~~
- ~~(6) Controlling card room funds including keys to secure locations;~~
- ~~(7) Facilitating any part of the operation of a card game.~~

~~[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-02-415, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070(5). 98-04-023, § 230-02-415, filed 1/28/98, effective 7/1/98. Statutory Authority: RCW 9.46.070(16). 78-06-066 (Order 85), § 230-02-415, filed 5/25/78.]~~

230-15-031 Reporting card room activity semiannually.

Card game licensees, except for Class D, must submit an activity report for their card rooms to us.

- (1) Card game licensees must complete the report according to the format we require; and
- (2) We must receive the completed report, or the report must be postmarked, no later than thirty days after the end of the reporting period; and
- (3) The highest ranking executive officer or designee must sign the report. If someone other than the licensee or an employee prepares the report, the preparer must print his or her name and phone number on the report; and
- (4) Card game licensees must report activities for:
 - January 1 through June 30; and
 - July 1 through December 31; and
- (5) Card game licensees must submit a report for any period of time their license was valid. If they do not renew their license, they must submit a report for the period between the previous report they filed and the expiration date of their license.

[Statutory Authority: RCW 9.46.070.]

WAC 230-08-160 Semiannual activity reports by operators of social and public card rooms.

Each licensee for the operation of social or public card rooms shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below: Provided, That persons licensed under Class "D" - general, no fee charged, are exempt from all portions of this section:

- (1) Reports shall be submitted detailing activities occurring during each of the following periods of the year:
 - (a) January 1st through June 30th; and
 - (b) July 1st through December 31st.
- (2) A report shall be submitted for any period of time the activity was operated or a license was valid. If a license is not renewed, a report for the period between the previous report filed and the expiration date shall be submitted;
- (3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;
- (4) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or an employee, the preparer shall print his/her name and phone number on the report;

(5) The report shall be completed in accordance with the related instructions furnished with the report. The report shall include the following:

- (a) Gross gambling receipts;
- (b) Full details of all compensation paid by the licensee to each person for any work connected with the management, promotion, conduct or operation of the card room;
- (c) Full details of all other expenses related to the operation of the card room;
- (d) Net gambling income or loss from the operation of the card room for the reporting period;
- (e) The normal days and times of operation of the card room; and
- (f) The total hours the card room was open during the period.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-08-160, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 and 9.46.0217. 95-07-094, § 230-08-160, filed 3/17/95, effective 7/1/95. Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-08-160, filed 5/17/94, effective 7/1/94. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-08-160, filed 9/15/86, effective 1/1/87. Statutory Authority: RCW 9.46.070 (8) and (9). 85-06-002 (Order 147), § 230-08-160, filed 2/22/85. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11). 83-06-077 (Order 127), § 230-08-160, filed 3/2/83; Order 80, § 230-08-160, filed 12/28/77; Order 70, § 230-08-160, filed 5/24/77.]

Card Tournaments

230-15-032 Card tournament licenses.

(1) If you have a Class A, B, E, F, or house-banked license, you may conduct a card tournament where a fee or buy-in is charged without getting a card tournament license, but you must only operate those card games approved for your license class.

(2) If you have a Class D license, you must also obtain a card tournament license.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.

A card tournament wherein a fee is charged to the participants and prizes are awarded to the winning players shall be licensed by the commission.

License not required.

(1) Card room licensees with a Class A, B, E, F or house-banked license may conduct a card tournament for a fee without obtaining a card tournament license: Provided, That licensees are limited to only those card games authorized under their license class.

Class D licensees.

(2) Card room licensees with a Class D license must first obtain a card tournament license before they can conduct a card tournament in which the players are charged a fee to enter.

[Statutory Authority: RCW 9.46.020 (19), (20)(d) and (23); RCW 9.46.050(3); RCW 9.46.070(1), (2), (4), (5), (6), (9), (11), (12), (14), and (17); RCW 9.46.0281 and RCW 9.46.0325.]

230-15-033 Entry fees and buy-ins for card tournaments.

(1) Card game licensees must:

(a) Not charge more than one hundred dollars per player for an entry fee; and

(b) Collect all entry fees before the start of play

(2) The entry fee must include all the separate fees for various phases and events of the tournament, for food and drink, and for promotional material.

(3) Card game licensees may award prizes in excess of entry fees collected.

(4) Card game licensees may require a minimum buy-in of chips. The buy-in may be a single or multiple buy-in, but the total per player may not exceed four hundred dollars per tournament.

(5) Card game licensees must:

(a) Keep a record of the buy-ins for each player in the format we require; and

(b) Return all buy-ins to the players in the form of cash or merchandise prizes.

(6) We do not consider buy-ins gross gambling receipts.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-050 Fees for Nonhouse-banked games.

(1) (d) **Fees to enter tournaments** shall be as set forth in WAC 230-40-055

(2) (d) **Tournaments.** All fees to enter tournaments shall be collected in advance of the start of play in accordance with WAC 230-40-055; or

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.

Entry fees.

(5) The fee for a player to enter a card tournament for prizes shall not exceed one hundred dollars. The fee shall include all separate fees which might be paid by a player for various phases, events of the tournament, food and drink offerings, and promotional material.

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.

Posting and approval of rules.

(11) The licensee shall adopt tournament rules to facilitate the operation of card tournaments: Provided, That all tournament rules for tournaments where the single or multiple buy-in exceeds fifty dollars must be submitted to commission staff for approval: Provided, That once a tournament format is approved, notification will be sufficient for all subsequent tournaments identical in format and play. All tournament rules must be conspicuously posted where all tournament participants can see and read the rules.

Buy-in.

(9) In addition to the entry fee, a minimum buy-in of chips may be required. The total buy-in per player shall not exceed four hundred dollars per tournament and may be either a single or multiple buy-in during the course of the tournament. A record of the buy-ins for each participant will be maintained by the licensee in a format provided by the commission. All buy-ins of chips are not gross gambling receipts and shall be returned to the participants in the form of prizes. Prizes from buy-ins are not deductible for commercial stimulant purposes.

230-15-034 Getting card tournaments approved.

Card game licensees must notify us ten days before any card tournament where the single or multiple buy-in(s) is greater than fifty dollars. Card game licensees must:

- (1) Submit rules for these tournaments for approval in advance.
- (2) If a future tournament is identical, no approval is needed. Only notify us ten days in advance of the tournament.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.

(11) The licensee shall adopt tournament rules to facilitate the operation of card tournaments: Provided, That all tournament rules for tournaments where the

single or multiple buy-in exceeds fifty dollars must be submitted to commission staff for approval: Provided, That once a tournament format is approved, notification will be sufficient for all subsequent tournaments identical in format and play. All tournament rules must be conspicuously posted where all tournament participants can see and read the rules.

230-15-035 Restricting length of card tournaments.

Card game licensees must not conduct a tournament for longer than thirty consecutive calendar days.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.**Length of tournament.**

(4) A card tournament shall not exceed thirty consecutive calendar days.

230-15-036 Posting tournament rules and prizes.

(1) On the premises before the players pay their fees, card game licensees must prominently post and keep posted until the tournament is complete:

- (a) All rules, prizes, and conditions of the tournament; and
- (b) The tournament fee; and
- (c) Entry and buy-in requirements; and
- (d) A description of all of the goods and services they will provide as a part of the tournament.

(2) Card game licensees must initially provide all entrants in tournaments with the same number of chips or points and the same opportunity for rebuys.

(3) If there are more players than spots available in the tournament, card game licensees may conduct a drawing to determine which players participate. If there is a fee to enter the tournament, card game licensees must collect it after the drawing has occurred.

(4) After the tournament has begun, card game licensees must not conduct a drawing to decide who will fill an extra seat, for example, determining who will advance to the next round of the tournament.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-050 Fees for Nonhouse-banked games.

(2) (d) **Tournaments.** All fees to enter tournaments shall be collected in advance of the start of play in accordance with WAC 230-40-055; or

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.**Posting entry fee requirements.**

(6) The fee to enter a tournament and a description of all goods and services to be provided as a part of the tournament must be fully disclosed to each entrant prior to their paying such fee. Such disclosure must be posted conspicuously on

the premises at the time payment is received and remain posted until the tournament is complete.

(11)... All tournament rules must be conspicuously posted where all tournament participants can see and read the rules.

230-15-037 Offering discounted tournament fees as customer appreciation.

Card game licensees may offer discounted fees to card tournaments to specific groups of players (such as Ladies' Night) as customer appreciation.

[Statutory Authority: RCW 9.46.070]

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.**Customer appreciation.**

(7) Operators may offer customer appreciation tournaments. The licensee shall conspicuously post entry and buy-in requirements.

(a) Entrants in such tournaments must initially be provided with the same number of chips or points and the same opportunity for rebuys.

(b) All prizes awarded for customer appreciation tournaments may be deducted as prizes for determining adjusted net gambling receipts.

What we changed: We added rule interpretation language that stated owners of card rooms could have tournaments that restrict entry to certain groups as long as they post all the restrictions on entry in the tournament rules.

Why: The codification of rule interpretations was a goal of the Rules Simplification Project. Our goal is to do away with all rule interpretations and replace them with clearer WACs.

230-15-038 Exclusive tournament entry as customer appreciation.

Card game licensees may offer exclusive tournament entry to specific groups as customer appreciation. Card game licensees must include all requirements or restrictions in their tournament rules.

[Statutory Authority: RCW 9.46.070]

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.**Customer appreciation.**

Now covered by WAC 230-15-036 (7) Operators may offer customer appreciation tournaments. The licensee shall conspicuously post entry and buy-in requirements.

(a) Entrants in such tournaments must initially be provided with the same number of chips or points and the same opportunity for rebuys.

(b) All prizes awarded for customer appreciation tournaments may be deducted as prizes for determining adjusted net gambling receipts.

230-15-039 Value of tournament chips.

Card game licensees must use chips that have no monetary value and can only be redeemed for prizes posted by the licensee.

[Statutory Authority: RCW 9.46.070]

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.**Prizes.**

(10) The chips used in card tournaments shall have no monetary value and may be redeemed only for prizes established by the licensee.

230-15-040 Reporting entry fees as gambling receipts.

(1) Card game licensees must report all entry fees as gross gambling receipts.

(2) If card game licensees prepare and provide food and drink as a part of the entry fee, they may treat the fair market value of the food and drink as commercial stimulant sales and not include it as gross gambling receipts.

(3) The fair market value of the food and drink must not exceed twenty-five dollars per player or fifty percent of the entry fee, whichever is greater. Card game licensees must support these amounts with records.

(4) When determining adjusted net gambling receipts from the entry fees, card game licensees may deduct:

- (a) Cost of promotional items; and
- (b) Cost of merchandise prizes awarded; and
- (c) Cost of merchandise prizes and cash awarded in customer appreciation tournaments; and
- (d) Cash prizes awarded.

(5) Card game licensees must not deduct buy-ins when determining adjusted net gambling receipts.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements.**Fees are gross gambling receipts - exception for food and gifts.**

(8) All fees paid to enter a tournament shall be reported as gross gambling receipts: Provided, That if an operator prepares and provides food and drink items to all tournament entrants on the licensed premises as a part of their entry fee, the fair market value of the food and drink provided, not to exceed twenty-five dollars or fifty percent of the entry fee, which ever is greater, shall be treated as sales of food and drink for on premises consumption and not included as gross gambling receipts. Such sales, must be properly supported by records: Provided further, That if an operator provides items promoting the tournament or

licensed business, such as hats, t-shirts, etc., to all participants as a part of their entry fee, the actual cost of such items, supported by invoices and other such records, shall be deducted as prizes in determining adjusted net gambling receipts.

WAC 230-40-055**Entry fees.**

(5) The fee for a player to enter a card tournament for prizes shall not exceed one hundred dollars. The fee shall include all separate fees which might be paid by a player for various phases, events of the tournament, food and drink offerings, and promotional material.

(10)...The licensee may award prizes in excess of those entry fees collected as authorized in subsection (5) of this section. The licensee's actual cost, including any cash, for prizes awarded to the players may be deducted as prizes for determining adjusted net gambling receipts generated by the entry fees.

230-15-041 Recordkeeping for card tournaments.

(1) Card game licensees must keep tournament records in the format we require.

(2) On the daily control sheet for the first day of a tournament, card game licensees must include the total gross gambling receipts and attach the record of participants.

(3) Card game licensees must attach the tournament records to the daily card room records for the date they awarded the majority of the prizes in the tournament.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-050 Fees for nonhouse-banked card games**Assessing fees.**

(1) (d) **Fees to enter tournaments** shall be as set forth in WAC 230-40-055.

WAC 230-40-052 Daily records -- Card games (cont'd)**Tournament fees.**

(3) Fees for tournaments shall be recorded as set forth in WAC 230-40-055.

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting**Recording fees and players.**

(12) The licensee shall maintain a record of all such fees collected and the number of participant for each tournament conducted. This information shall be entered in a format approved by the commission. The total gross gambling receipts for the tournament shall be entered on the card room daily control sheet for the time and date the tournament begins and the record of participants shall be attached and maintained with that daily control sheet.

Prize records.

(13) The licensee shall maintain a record of all prizes awarded to include the amount the licensed operator actually paid for each prize and the name and complete address of each winning participant: Provided, That the name and address of each participant receiving promotional items as set forth in subsection

(8) of this section shall not be required on the prize record. The record shall be attached to the daily control sheet used on the date the majority of the prizes are awarded.

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Additional Rules for House-banked Card Games

Internal Controls for House-Banked Card Games

Rule Summary re: internal controls on site

230-15-104 Internal controls.

- (1) House-banked card game licensees must:
- (a) Ensure that all games are closely controlled and operated in accordance with the Gambling Act, our rules, and the house-banked card game licensee's internal controls (ICs); and
 - (b) Follow all ICs at all times; and
 - (c) Have the ICs available to employees for their individual functions; and
 - (d) Have all ICs available to us at all times at the licensed business premises; and
 - (e) Ensure that employees are knowledgeable in all accounting and internal control procedures for their individual functions and ensure that employees follow the ICs.
- (2) Card room employees must follow the internal control procedures for their individual functions.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.

Each licensee operating a house-banked card game shall ensure that all games are closely controlled, operated fairly and in accordance with all rules of the commission.

Removed much and combined with above

WAC 230-40-800 Operating rules for house-banked card games.

In general rules (3) The licensee shall submit all rules governing the game to commission staff for approval. All requests shall be in writing and include at least the following:

- (a) Rules of play, including those specified by the manufacturer or supplier;...
- (b) Any administrative or accounting controls applicable to specific games;
- (c) All specifications provided by the equipment manufacturer or supplier applicable to gaming equipment utilized in the game;
- (d) Physical characteristics of the following:
 - (i) Cards (including procedures for receipt and storage);
 - (ii) Gaming chips used to play the game;
 - (iii) All gaming tables and layouts;
 - (iv) Dealing shoes;
 - (v) Card shuffling devices;
 - (vi) Card peeking devices;
 - (vii) Bill changer devices; and

- (viii) Such other equipment as may be required for use in otherwise authorized games;
- (4) Rules for each authorized game, shall include at least the following:
- (a) Procedures of play;
 - (b) Minimum and maximum permissible wagers;
 - (c) Shuffling, cutting, and dealing techniques, as applicable;
 - (d) Dealer take and pay procedures;
 - (e) Payout odds on each form of wager, including any factors affecting payments to the player, such as maximum player or aggregate prize restrictions; and
 - (f) Procedures to be followed on occurrence of irregularities, including examples of irregularities applicable to each game;

What we changed: We have rewritten this rule to include an existing rule interpretation.

Why: We are attempting to clarify and strengthen the rule by adding in the (5)(e) requirement that surveillance personnel must report any suspicious or illegal acts they see while operating camera and monitors.

230-15-106 Internal control requirements.

General accountability requirements.

(1) House-banked card game licensees must have a system of internal controls including, at least:

(a) **Accounting controls-** include the house-banked card game licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. House-banked card game licensees must design these controls to provide reasonable assurance that:

- (i) Transactions are executed with management's general and specific authorization; and
- (ii) Transactions are recorded so that financial statements are prepared in conformity with generally accepted accounting principles (GAAP), and so that accountability for assets is maintained; and
- (iii) Access to assets is permitted only with management's authorization; and
- (iv) Records are compared with existing assets at least annually and appropriate action is taken within five working days to correct any differences; and

(b) **Administrative controls-** include, at least, the licensee's plan, procedures, and records outlining decision-making processes that lead to authorization of transactions. These must provide for:

- (i) Competent personnel with an understanding of internal control procedures; and

- (ii) Segregation of incompatible functions so that no employee is in a position to commit and conceal errors or wrongdoings in the normal course of his or her duties; and

Designating a General Manager.

(2) The owner, partners, or board of directors for the house-banked card game licensee must designate an individual with overall responsibility for the business, called the "general manager." The general manager may also perform the duties of a gambling operations department manager; and

Establish separate departments or functions.

(3) House-banked card game licensees must establish separate departments or functions which must be independent from each other. At a minimum, these must include:

- (a) Surveillance; and
- (b) Security; and
- (c) Gambling; and
- (d) Accounting; and

Surveillance department requirements.

(4) The surveillance department must follow all requirements of the surveillance WACs, including, at least:

- (a) Closely and clandestinely observe the operation of the card games and the cashier's cage; and
- (b) Record video and audio of the activities in the count room; and
- (c) Monitor for cheating, theft, embezzlement, and other illegal activities in the licensed premises; and
- (d) Record video of unusual or suspected illegal activities; and
- (e) Notify appropriate supervisors and us, within three working days, when they detect cheating, theft, embezzlement, or other illegal activities related to gambling; and
- (f) Ensure that each dealer is evaluated to determine if he or she follows all required dealer procedures set out in the house-banked card game licensee's approved internal controls; and
- (g) Ensure that all surveillance employees have demonstrated a knowledge of:
 - (i) Operating surveillance systems; and
 - (ii) Rules of play and procedures for the games being played; and
 - (iii) Overall procedures relating to the duties of all employees of the house-banked card room, including dealers, shift managers, floor supervisors, cage cashiers and count team members; and

Security department requirements.

(5) The security department manager must control:

- (a) Transfer of cash and chips to and from the gambling tables, cage, and count room; and

- (b) Dealing shoes and new and used cards, when not in use or when held in evidence; and
- (c) Disposing or destroying of used cards and chips when removed from service; and

Gambling operations department requirements.

(6) The gambling operation department manager, or general manager is responsible for house-banked card games and must ensure that:

- (a) Dealers operate card games at assigned gambling tables; and
- (b) Cards and dealing shoes are properly accounted for when in use on the gambling floor; and
- (c) There is adequate supervision on the business premises; and

Accounting department requirements.

(7) The accounting supervisor must report directly to the general manager. The accounting department must, at least:

- (a) Implement and monitor accounting controls; and
- (b) Control and supervise the count room and cashier's cage; and
- (c) Control the inventory of unused forms; and
- (d) Reconcile the used and unused forms; and
- (e) Prepare, control, and store records and data we require.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.

Internal controls.

(1) The licensee shall have a system of internal controls that include at least the following:

- (a) Administrative controls, which include, but are not limited to, the organization's plan, procedures, and records concerned with decision processes leading to management's authorization of transactions; and
- (b) Accounting controls which include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. These controls must be designed to provide reasonable assurance that:
 - (i) Transactions are executed in accordance with management's general and specific authorization;
 - (ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, and to maintain accountability for assets;
 - (iii) Access to assets is permitted only in accordance with management's authorization; and

- (iv) The recorded accountability for assets is compared with existing assets at least annually and appropriate action is taken within five working days with respect to any differences.

Administrative controls.

(2) The licensee's system of administrative controls shall provide for the following:

- (a) Competent personnel with an understanding of prescribed procedures;
- (b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties; and
- (c) Each employee of a house-banked card room shall be licensed by the commission and shall be knowledgeable in all accounting and internal control practices and procedures relevant to each employee's individual function.

Separate departments and functions.

(3) The licensee shall, at a minimum, establish the following departments or functions that shall be independent from all other departments or functions:

Surveillance.

(a) A surveillance department which shall not include security functions or personnel. The head of surveillance shall be responsible for, but not limited to, the following:

- (i) The clandestine surveillance of the operation and conduct of the table games;
- (ii) The clandestine surveillance of the operation of the cashier's cage;
- (iii) The video and audio recording of activities in the count rooms;
- (iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;
- (v) The video recording of unusual or suspected illegal activities;
- (vi) The notification of appropriate supervisors and commission staff, within three working days, upon the detection of cheating, theft, embezzlement, or other illegal activities;
- (vii) Ensuring that each dealer is evaluated to determine if all required dealer procedures and techniques set forth in the licensee's approved internal controls are followed; and
- (viii) Ensuring all surveillance employees have a demonstrated knowledge of the following:
 - (A) Operating surveillance systems;
 - (B) Rules of play and procedures for the games being played; and
 - (C) The overall procedures relating to the duties of all employees of the house-banked card room being monitored (dealers, shift managers, floor supervisors, cage cashier's and count team members).

Security.

- (b) A security department, supervised by a security department manager, is responsible for at least the following:
- (i) Control of cards and dealing shoes, including storage of new and used cards and shoes, and control of the disposition and/or destruction of same when removed from service; and
 - (ii) Transfer of cash and chips to and from the gaming tables, cage and count room....

Accounting.

- (d) An accounting department supervised by an individual who shall report directly to the chief executive officer or chief operations officer. The responsibilities of the accounting department shall include, but not be limited to, the following:
- (i) Implementing and monitoring of accounting controls;
 - (ii) The preparation, control, and storage of records and data required;
 - (iii) The control of unused forms inventory along with reconciliation of forms used; and
 - (iv) The control and supervision of the cashier's cage.

WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.

Administrative controls.

(2) The licensee's system of administrative controls shall provide for the following:

- (a) Competent personnel with an understanding of prescribed procedures;

Employees shall be informed of internal controls.

(5) All licensed operators shall inform their card room employees of the internal controls related to their respective area of responsibility. Furthermore, both the operator and all card room employees shall follow these internal controls at all times.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-815, filed 4/16/03, effective 7/1/03; 01-13-091 (Order 403), § 230-40-815, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-815, filed 4/14/00, effective

230-15-032 Defining "Incompatible functions."

(1) "Incompatible functions" means job duties that place an employee or department in a position to commit and conceal errors or wrongdoings in the normal course of his or her duties.

(2) Anyone who records a transaction and has access to the assets related to that transaction is in a position to commit and conceal errors or wrongdoings. For example, an employee that writes checks should not reconcile the bank account; or an employee that transports funds should not have access to keys for locks securing the funds or to surveillance recordings of the transaction.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-550 Incompatible functions defined.

Incompatible functions for accounting and internal control purposes are functions, duties, or responsibilities that place any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities. For example, an employee that writes checks should not reconcile the bank account; or an employee that transports funds should not have access to keys for locks securing such funds or to surveillance recordings of the transaction.

[Statutory Authority: RCW 9.46.070]

Rule Summary for the Rule Below

What we changed: In the past, Commission rules required that card game licensees submit a changed version of the licensee's complete internal controls if the licensee wished to change a game being offered in their card room. Special agents would review the entire internal controls and go out to the card room to do a review before allowing the change to occur.

With the addition of the rule interpretation to the rule, licensees may now change out games simply by submitting the change to the card game internal controls in writing and getting a verbal approval from the special agent. The special agent then will complete a review of the new game on his or her next visit to the card room.

Why: This change streamlines the approval process and the risk is minimal since licensees are required to follow all rules governing the card game, regardless of how or when a game is approved.

230-15-108 Modifying internal controls and changing card games offered.

(1) House-banked card game licensees must submit proposed changes to their internal controls in writing to us and receive our approval before making any changes.

(2) However, licensees may change the card games they offer by submitting the change to their internal controls in writing and getting an initial verbal or written approval from us. Staff reviews and verifies the changes on their next visit to the card room.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking. Modifications.

(4) Any changes to the licensee's system of internal controls must be submitted to commission staff and be approved prior to implementation.

What we changed: We have removed the definition of "chief executive officer or chief operations officer."

Why: We seldom use that term now. Instead, the operator often employs a "general manager" to handle the duties that a CEO or COO performed.

~~WAC 230-40-554 Chief executive officer or chief operations officer defined.~~

~~The chief executive officer (CEO) or chief operations officer (COO) is the executive who has been designated by the owner, partners, or board of directors as the individual with overall responsibility for the business licensed to conduct card games. The CEO or COO may perform the duties of a gaming operation department manager as defined in WAC 230-40-556.~~

~~[Statutory Authority: RCW 9.46.070. 04-24-039 (Order 440), § 230-40-554, filed 11/24/04, effective 1/1/05; 00-09-052 (Order 383), § 230-40-554, filed 4/14/00, effective 5/15/00.]~~

230-15-110 Defining "gambling operations department manager."

"Gambling operations department manager" means a card room employee who is responsible for managing all card game operations.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-556 Gaming operations department manager defined.

A gaming operations department manager is a licensed card room employee who has been designated by the chief executive officer or chief operating officer as responsible for management of all card room operations.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-556, filed 4/14/00, effective 5/15/00.]

230-15-111 Defining "shift manager."

"Shift manager" means a card room employee that is responsible for all card game operations during a given shift. The shift manager reports to the gambling operations department manager.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-558 Shift manager defined.

A shift manager is a licensed card room employee who shall be responsible for all card room operations during a given shift. The shift manager reports to the gaming operations department manager and shall be the direct supervisor of the floor supervisor.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-558, filed 4/14/00, effective 5/15/00.]

230-15-112 Defining "floor supervisor."

"Floor supervisor" means a card room employee who directly supervises a limited number of card games, and the dealers assigned to those games, within a designated area. The floor supervisor reports to the shift manager.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-560 Floor supervisor defined.

A floor supervisor is a licensed card room employee who shall be responsible for directly supervising a limited number of card games and the dealers assigned to those games within a designated area known as the "pit."

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-560, filed 4/14/00, effective 5/15/00.]

Operating House-Banked Card Games

230-15-112x Funds required in prize bank account(s).

(1) House-banked card game licensees must ensure sufficient funds are available to pay prizes offered. Licensees must not offer games for play until they meet the following conditions:

- (a) Licensees must set up a separate bank account for progressive jackpot funds.
- (b) In addition to progressive jackpot prize funds, licensees must also deposit and keep in the account an amount equal to the total of all individual prizes offered which exceed twenty-five thousand dollars.
- (c) For games in which the prize is based on the amount wagered, the licensee must use the highest wager to determine their deposit requirement. For example, if the highest wager allowed for a particular prize is two hundred dollars and the pay out odds are five hundred to one, the licensee must deposit one hundred thousand dollars.

(2) If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.

(3) If licensees fail to keep funds as required in this rule, we consider this prima facie evidence of defrauding the public and a violation of RCW 9.46.190.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-808 (3)

WAC 230-40-808 Deposit requirements for prizes -- House-banking.

Each organization licensed to conduct house-banked card games shall ensure sufficient funds are available to pay prizes offered. Funds shall be controlled as follows:

Bank account.

(1) Each licensee shall maintain a bank account for holding jackpot prizes accrued at house-banked card games. The account shall be separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing prize funds.

Failure to maintain sufficient bank funds.

(4) No game shall be offered for play until the above conditions have been met. At anytime that the prize account is reduced below the level required, the licensee shall immediately cease operating games until they are in compliance. At no time shall the account go below the total amount of progressive jackpots and individual prizes offered over twenty-five thousand dollars. Failure to maintain funds as required in this rule shall be prima facie evidence of defrauding the public in violation of RCW 9.46.190.

230-15-112a Supervision Requirements.

- (1) House-banked card game licensees must have at least one floor supervisor for each gambling area. Each supervisor may supervise up to seven tables. We must approve the arrangement of tables in the internal controls.
- (2) Licensees must have two levels of supervision present on the business premises if more than ten tables are open.
- (3) A card room employee may act as a dealer and a supervisor during the same shift as long as he or she does not sign forms as both the dealer and the supervisor.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.*Gaming operations.*

- (c) A gaming operation department supervised by a gaming operation department manager who shall be responsible for the operation of all house-banked card games conducted by ensuring the following:
 - (i) Card games are operated by licensed dealers who are assigned to each gaming table;
 - (ii) A floor supervisor is assigned the responsibility for the overall supervision of the conduct of gaming within a pit and can supervise no more than five tables: Provided, That a single supervisor may supervise up to seven tables, if only seven tables are in operation and the layout was preapproved by commission staff;
 - (iii) A licensee which utilizes two separate areas of a gaming establishment shall require at least one supervisor in each area; and
 - (iv) A shift manager, who reports to the gaming operation department manager, is assigned to supervise floor supervisors and all gaming related activities that occur during each shift. In the absence of the gaming operation department manager, the shift manager shall have the authority of a gaming operation department manager: Provided, That in addition to the floor supervisors required in this subsection, licensees operating more than ten tables shall be required to have a shift manager on the premises.

230-15-113 Dealing all house-banked card games from a dealing shoe.

House-banked card game licensees must deal all house-banked card games from a dealing shoe or a shuffling device we have approved.

[Statutory Authority: RCW 9.46.070.]

What we changed: We have removed this rule.

Why: The information contained in this rule is available in other rules and does not need to be repeated.

WAC 230-40-800 Operating rules for house-banked card games.

(5) A summary of playing procedures and rules of play for each game shall be visibly displayed in the gaming area. If the procedures or restrictions are game specific, they shall be displayed at each gaming table at which the game is played.

[Statutory Authority: RCW 9.46.070. 02-11-084 (Order 413), § 230-40-800, filed 5/16/02, effective 7/1/02; 00-09-052 (Order 383), § 230-40-800, filed 4/14/00, effective 5/15/00.]

230-15-115 Numbering gambling tables.

House-banked card game licensees must permanently number each gambling table.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-030 Number of tables and players limited.

No licensee shall allow more than fifteen separate tables at which card games are played.

In General Rules. No licensee shall allow more than ten players for nonhouse-banked card games and seven players and/or areas for wagering at house-banked card games to participate at any one table at any given time. Each table shall be permanently numbered and readily identifiable by the licensee's surveillance system.

[Statutory Authority: RCW 9.46.070.]

230-15-116 Standards for electronic facsimiles of cards.

(1) House-banked card game licensees may use approved electronic card facsimiles in house-banked card games if the system meets the following requirements:

- (a) Produces accurate facsimiles of one or more standard deck(s) of cards; and
- (b) Randomly shuffles the cards before each round of play or shoe loading; and
- (c) Contains a backup system for recording and displaying at least five previous rounds of play; and
- (d) Contains security protocols which prevent unauthorized access; and
- (e) Is designed to prevent the player from playing against the device; and
- (f) Allows testing of the computer software; and
- (g) Operates only under card room internal controls specific to each system; and

- (h) Is tested by a licensed game testing laboratory for compliance with these requirements; and
 - (i) Meets any additional technical requirements we require.
- (2) Card room employees must operate the system.
- (3) The manufacturer must pay the costs of laboratory testing.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-070 Licensee to furnish all cards, chips and other services.

(1) (c) Electronic facsimiles of cards.

Electronic card facsimiles may be approved by the director for use in house-banked card games subject to the following conditions:

- (i) The system shall:
 - (A) Produce accurate facsimiles of one or more standard decks of playing cards;
 - (B) Randomly shuffle the cards prior to each round of play or shoe loading;
 - (C) Contain a backup system for recording and display of at least five previous rounds of play;
 - (D) Contain security protocols which prevent unauthorized access;
 - (E) Provide a means of testing of computer software;
 - (F) Meet any additional technical standards required by the commission;
 - (G) Be operated only under card room internal controls specific to each system; and
 - (H) Be tested by a licensed game testing laboratory for compliance with these requirements.
- (ii) The system shall be operated by card room personnel and shall not be designed to allow the player to play against the device.
- (iii) The costs of initial laboratory testing and any additional testing required by the commission shall be paid for by the manufacturer.
- (iv) The closed circuit television system requirements set forth in WAC 230-40-825 must be followed for all card games.

230-15-117 Keeping funds to pay progressive jackpot prizes and odds-based wager prizes.

House-banked card game licensees must ensure that they have sufficient funds available to pay progressive jackpot prizes and odds-based wager prizes. An "odds-based wager" means a wager where the player wins an amount over and above the amount he or she wagered if a fixed pattern or combination of cards occurs, for example, a royal flush, four aces, or a pair. Licensees must not offer card games until they have met all of these requirements:

- (1) Keep a separate bank account for progressive jackpot prizes and odds-based wager prizes. The account must be kept in a bank, mutual savings bank, or credit union regulated by the Washington state department of financial institutions; and

- (2) Keep in the account an amount equal to all individual odds-based wager prizes offered which are greater than twenty-five thousand dollars and all progressive jackpot prize funds; and
- (3) Use the highest wager they allow to calculate the individual odds-based wager prize amount and determine the deposit requirement; and
- (4) Deposit at least weekly all funds accrued for progressive jackpot prizes.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-808 Deposit requirements for prizes -- House-banking.

Each organization licensed to conduct house-banked card games shall ensure sufficient funds are available to pay prizes offered. Funds shall be controlled as follows:

Bank account.

- (1) Each licensee shall maintain a bank account for holding jackpot prizes accrued at house-banked card games. The account shall be separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing prize funds.

Deposit requirements.

- (2) Amounts accrued for any house-banked game which offers a progressive jackpot shall be deposited into the jackpot prize account at least weekly for all disclosed and reserve jackpot funds.
- (3) In addition to any progressive jackpot prize funds required to be maintained in the bank account, licensees shall also deposit and maintain in the account an amount equal to the total of all individual prizes offered which exceed twenty-five thousand dollars. For games in which the prize is based on the amount wagered, the highest wager allowed by the licensee shall be used in computing the individual prize amount for purposes of determining the deposit requirement.

230-15-118 Limiting payouts for odds-based wagers.

- (1) House-banked card game licensees may create payout limits for odds-based wagers made in card games.
- (2) Licensees may limit the payout for odds-based wagers if we approve all payout limits and their procedures for computing limits.
- (3) Individual players' winnings must not be less than the higher of:
 - (a) The maximum wager allowed for the game times the highest odds offered up to fifty-to-one (50 to 1). For example: If the maximum wager is one hundred dollars (\$100) and the odds are fifty-to-one (50 to 1); then the per player limit is five thousand dollars ($\$100 \times 50 = \$5,000$); or
 - (b) The house minimum required wager for the game times the highest odds offered for any wager in the game. The "minimum required wager" means the least amount a player must wager in order to win. For example: If the minimum required wager is ten dollars (\$10) and

the maximum odds are one thousand-to-one (1,000 to 1); then the per player limit is ten thousand dollars ($\$10 \times 1,000 = \$10,000$).

(4) Table limits (aggregate payout) must not be less than two times the individual player limit, as computed in subsection (3) above; and

(5) Licensees must clearly disclose all procedures for computing any per player or table limit (aggregate payouts). This explanation must be available to players in a brochure or other printed material.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-810 House-banked card games -- Odds based wagers -- Prizes -- Restrictions -- Procedures.

A licensee may establish pay out limits for odds based wagers made at house-banked card games. An "odds based wager" means a wager for which the player is paid an increased amount over and above the amount wagered if a predetermined pattern or combination of cards is achieved. For example, a royal flush, four aces, a pair, etc. Limitations on the payout for odds based wagers are allowed only if the following restrictions and procedures are met:

(1) All payout limits, procedures for computing limits, and methods of disclosing limits to patrons shall be preapproved by the director or the director's designee;

(2) Any limits applied to individual players' winnings shall not be less than the higher of the following calculations:

(a) The maximum wager allowed for the game, times the highest odds offered up to fifty-to-one (50 to 1). For example: The maximum wager is one hundred dollars (\$100) and odds are fifty-to-one (50 to 1); then the per player minimum is five thousand dollars ($\$100 \times 50 = \$5,000$); or

(b) The minimum required wager for the game, as determined by house rule, times the highest odds offered for any wager in the game. For purposes of this section the "minimum required wager" shall be the total amount a player must risk in order to win. For example: The minimum allowed wager is ten dollars (\$10) and the maximum odds are one thousand-to-one (1,000 to 1); then the per player minimum is ten thousand dollars ($\$10 \times 1,000 = \$10,000$);

(3) Any limits applied in aggregate to payments to all players in a game for winning wagers shall not be less than two times the individual player limit, as computed in subsection (2) of this section;

(4) The licensee shall clearly disclose any limits to per player or aggregate payouts on the table layout: Provided, That the director may approve alternative methods of disclosure; and

(5) The licensee shall clearly disclose all procedures for computing any per player or aggregate payouts. This explanation must be available to players in the form of a brochure or other printed media.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-810, filed 4/14/00, effective 5/15/00.]

230-15-120 Opening tables.

When opening gambling tables, house-banked card game licensees must follow these steps:

- (1) A floor supervisor must unlock the table inventory container (chip tray) and take out the table inventory slip (opener); and
- (2) The dealer assigned to the gambling table must:
 - (a) Count the contents of the chip tray in the presence of the floor supervisor; and
 - (b) Verify the count against the opener; and
- (3) The dealer and the floor supervisor must then sign the opener, confirming the information on the opener is correct; and
- (4) The dealer must immediately deposit the opener in the drop box attached to the gambling table.
- (5) If there is any discrepancy between the amount of gambling chips and coins counted and the amount of the chips and coins recorded on the opener:
 - (a) The floor supervisor must report immediately to the shift manager, if on duty or when the manager arrives; and
 - (b) The supervisor on duty must complete and sign a notification of error slip; and
 - (c) The dealer, the floor supervisor, and security must verify and sign the notification of error slip; and
 - (d) Security must transport the duplicate of the notification of error slip to the accounting department or the cashier's cage; and
 - (e) The dealer must drop the original notification of error slip in the drop box attached to the gambling table; and
 - (f) The accounting department must keep a copy of the notification of error slip in a log in the format we require; and
 - (g) Licensees must notify us within twenty-four hours of errors of two hundred dollars or more, or if there is a pattern of shortages.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games.**Opening tables for play.**

(4) Licensees shall abide by the following procedures when opening gaming tables for play:

- (a) The locked container securing the table inventory and the table inventory slip shall be unlocked by the gaming operation supervisor assigned to such table;
- (b) A dealer assigned to the gaming table shall prove the contents of the container in the presence of the gaming operation supervisor assigned to such table and shall compare the count to the "opener," as defined in WAC 230-40-875, removed from the container. The procedures used to prove the chip and coin inventory shall be set forth in the licensee's internal controls;

(c) Signatures attesting to the accuracy of the information on the opener shall be placed on such "opener" by the dealer assigned to the table and the gaming operation supervisor that observed the dealer count the contents of the container;

(d) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the "opener," shall be immediately reported to the gaming operation manager, assistant gaming operation manager, or gaming operation shift manager in charge at such time. The manager in charge shall complete the notification of error slip, which will be verified by security and transported to accounting or the cashier's cage. Accounting will maintain a copy in the log containing the notification of error slips. The licensee shall notify commission staff within twenty-four hours of errors of two hundred dollars or more or if there is a pattern relating to regular shortages;

(e) After the count of the contents of the container and the signing of the "opener," such slip shall be immediately deposited in the drop box attached to the gaming table by the dealer.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-860, filed 4/16/03, effective 7/1/03; 00-09-052 (Order 383), § 230-40-860, filed 4/14/00, effective 5/15/00.]

230-15-121 Accounting for table inventory.

(1) House-banked card game licensees must establish procedures to ensure proper accounting for chips and coins stored at gambling tables, known as the "table inventory."

(2) Licensees must not add or remove chips or coins from the table inventory except:

- (a) In exchange for cash from players; or
- (b) In payment of winning wagers and collection of losing wagers made at the gambling table; or
- (c) In exchange for chips received from a player having an equal total face value (known as "coloring up" or "coloring down"); or
- (d) In compliance with fill and credit procedures.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games.

Procedures shall be established to ensure proper accountability of gaming chips and coins stored at gaming tables and for beginning play at such tables. The following restrictions and procedures apply:

Removing and adding table inventory.

(1) Whenever a gaming table is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "table inventory"

and the licensee shall not cause or permit gaming chips or coins to be added to or removed from such table inventory during the gaming day except:

- (a) In exchange for cash from patrons;
- (b) In payment of winning wagers and collection of losing wagers made at such gaming table;
- (c) In exchange for gaming chips received from a patron having an equal aggregate face value; and
- (d) In conformity with procedures set forth in WAC 230-40-865 and 230-40-870.

230-15-122 Selling gambling chips to players.

House-banked card game licensees must accurately account for all chips and cash when they sell chips to players. Licensees must sell chips only at the gambling table. The dealer must:

- (1) Spread the cash on the top of the gambling table so that the player, floor supervisor, and surveillance have a full view of the sale;
- (2) Announce the amount loudly enough to be heard by the player and the floor supervisor assigned to the table.
- (3) Have the floor supervisor verify all cash sales of one hundred dollars or more;
- (4) Prove the denomination and the number of chips to the player, floor supervisor, and surveillance before giving the chips to the player. Licensees must include their method for proving chips in their internal controls; and
- (5) After giving the chips to the player, immediately remove the cash from the table top and put it in the drop box.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-850 Procedures for purchasing gaming chips. The purchase of gaming chips by patrons shall be conducted in a manner to ensure proper accountability of chips and cash. The following restrictions and procedures apply:

- (1) Gaming chips shall only be purchased at the gaming table;
- (2) The cash shall be spread on the top of the gaming table by the dealer in a manner that allows the patron, floor supervisor, and surveillance a full view of the transaction;
- (3) The amount of cash shall be announced by the dealer accepting it in a tone of voice to be heard by the patron who presented the cash and the floor supervisor specifically assigned to the gaming table. All cash changes of one hundred dollars or more shall be verified by the supervisor;
- (4) Prior to giving gaming chips to the patron, the dealer shall prove each denomination of chips in a manner that discloses the number of chips to the patron, floor supervisor, and surveillance. Procedures for proving chips shall be included in the licensee's approved system of internal controls; and
- (5) Immediately after gaming chips, equivalent to the cash amount paid by the patron, have been given to the patron, the cash shall be taken from the top of the

gaming table and placed by the dealer into the drop box attached to the gaming table.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-850, filed 4/14/00, effective 5/15/00.]

Rule summary for inadvertent omission of "coin" from (2) and (3)

230-15-124 Transferring chips and coin.

House-banked card game licensees must closely control and document all transfers of chips and coin in a manner that ensures accountability and provides adequate security.

- (1) All transfers of chips and coin must be to and from the cashier's cage.
- (2) Chips and coin must not be transferred from one gambling table to another.
- (3) All transfers of chips or coin must be made using requests for fill slips, fill slips, request for credit slips, or credit slips.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.

Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

- (12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

230-15-123 Requirements for request for fill/credit slips

A request for fill/credit slip must be:

- (1) A two part form; and
- (2) Completed in the format we require; and
- (3) Secured so that only a floor supervisor has access.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.

Fill slip.

- (1) Each "fill slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of fill slips received by a licensee shall be controlled and accounted for separately;

- (b) Request for fills shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Fill slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Rule Summary for taking out "each day"**230-15-123a Requirements for fill/credit slips**

- (1) Each fill/credit slip must be a consecutively prenumbered three-part form in the format we require. We may authorize use of a computer based accounting system which includes a nonrepeating consecutive numbering system which fulfills the controls and safeguards of the manual system. House-banked card game licensees must:
- (a) Control and account for each series of fill/credit slips they receive; and
 - (b) Ensure the fill/credit slip dispenser is secured in the cashier's cage; and
 - (c) Keep each series of fill/credit slips in a locked dispenser that will permit an individual fill/credit slip in the series and its copies to be written on simultaneously while still located in the dispenser, and will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and
 - (d) Use the forms in consecutive order and account for all forms; and
 - (e) Assign an accounting department employee to be responsible for controlling and accounting for the unused supply of fill/credit slips, placing fill/credit slips in the dispensers, and removing the triplicate copy from the dispensers. Only the accounting department employee may have access to the forms in the dispenser.
- (2) However, the licensee may allow a security department employee access to the dispenser for clearing paper jams.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.

- (5)(a) Each series of fill slips shall be in triplicate form to be kept in a locked dispenser that will permit an individual fill slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and
- (b) Access to the triplicate copy of the form shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of fill slips, placing fill slips in the dispensers,

and removing from the dispensers, each day, the triplicate copies remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

230-15-125 Completing the fill process.

Requesting a fill.

- (1) A floor supervisor must prepare a request for fill slip to authorize the cage cashier to perform a fill for the distribution of chips and coin to gambling tables.
- (2) The floor supervisor and security must sign the request for fill slip at the gambling table to which the chips and coin are to be delivered.

Transporting requests for fills.

- (4) After preparation of the request for fill slip, security must transport the original request for fill slip directly to the cashier's cage.
- (5) The floor supervisor must place the duplicate copy of the request for fill slip face up on the gambling table. It must remain there until the chips and coin are received.

Filling a request.

- (6) The cashier must prepare a fill slip when a request for fill slip is received.
- (7) The cashier must sign the fill slip when finished preparing the fill.
- (8) A security department employee must compare and verify the request for fill slip to the fill slip and the amount of the fill. Security must sign the fill slip.
- (9) Security must transport the chips, coin, and the original and duplicate of the fill slip to the gambling table.
- (10) The cashier retains the original of the request for fill slip.

Receiving the fill

- (11) On receiving chips and coin, the dealer verifies the amount of the fill and signs the fill slip.
- (12) The floor supervisor verifies the amount of the fill and signs the fill slip.
- (13) After the dealer and floor supervisor sign the fill slip, security must observe that the dealer immediately places the duplicate fill slip and the duplicate request for fill slip in the drop box attached to the gambling table.
- (14) Security must return the original fill slip to the cashier.
- (15) The cashier must attach the request for fill slip to the original fill slip.
- (16) If an error is made on a fill slip, the cage cashier must write "VOID" on the original and duplicate of the slip, and sign the slip.
- (17) At the end of the day or shift, the cage cashier must forward all slips to either:
 - (a) The count team for agreement with the duplicate of the fill slip and duplicate of the request for fill slip removed from the drop box. After the count, all fills must be forwarded directly to the accounting department for agreement with the triplicate of the fill slip; or
 - (b) The accounting department for agreement with the duplicate fill slip and duplicate of the request for fill slip removed from the drop box and the triplicate of the fill slip.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.

Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

Request for fill.

(2) A "request for fill" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a "fill slip" for the distribution of chips and coins to gaming tables. The original and duplicate of the request for fill shall include the following entries:

- (a) The date, time, and shift of preparation;
- (b) The denomination of gaming chips or coins to be distributed to the gaming tables;
- (c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming tables;
- (d) The game and table number to which the gaming chips or coins are to be distributed;
- (e) The signature of the gaming operation supervisor; and
- (f) The signature of the security department employee that distributed the chips and coins.

Transporting requests.

(3) After preparation of the request for fill, the original of such request shall be transported directly to the cashier's cage by security.

Duplicate copies of the request.

(4) The duplicate copy of the request for fill shall be placed by the dealer or floor supervisor in public view on the gaming table to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request for fill and fill slip are deposited in the drop box.

Fill slip procedures.

(5) A fill slip shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming tables from the cashier's cage. The following procedures and requirements shall be observed with regard to fill slips:

...

Information to be recorded on fill slip.

(6) On the original, duplicate, and triplicate copies of the fill slip, the preparer shall record, at a minimum, the following information:

- (a) The denomination of the gaming chips or coins being distributed;
- (b) The total amount of each denomination of gaming chips or coins being distributed;
- (c) The total amount of all denominations of gaming chips or coins being distributed;
- (d) The game and table number to which the gaming chips or coins are being distributed;

- (e) The date and shift during which the distribution of gaming chips or coins occurs; and
 - (f) The signature of the preparer.
- (7) Upon preparation, the time of preparation of the fill slip shall be recorded, at a minimum, on the original and the duplicate.

Employee verification.

(8) All gaming chips or coins distributed to the gaming tables from the cashier's cage shall be transported directly by a security department employee. This employee shall verify the request for fill to the amount of the fill slip and sign the original of the request for fill, which is maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill slip for signature.

Signatures required on fill slips.

- (9) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fill slips shall, at a minimum, be those of the following personnel at the following times:
- (a) The cashier upon preparation;
 - (b) The security department employee transporting the gaming chips or coins to the gaming table upon receipt from the cashier of gaming chips or coins;
 - (c) The dealer assigned to the gaming table upon receipt; and
 - (d) The gaming operation supervisor assigned to the gaming table upon receipt of the gaming chips or coins at such table.

Transporting chips and coins.

- (10) Upon meeting the signature requirements, the security department employee that transported the gaming chips or coins and the original and duplicate copies of the fill slip to the table, shall observe the following:
- (a) The dealer shall immediately place the duplicate fill slip and duplicate request for fill in the drop box attached to the gaming table to which the gaming chips or coins were transported; and
 - (b) The security department employee shall then return the original fill slip to the cashier's cage where the original fill slip and request for fill shall be maintained together and controlled by cage employees.

VOID procedures.

- (11) The original and duplicate "VOID" fill slips, the original request for fill, and the original fill slip shall be forwarded as follows:
- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate copy of the fill slip and duplicate copy of the request for fill removed from the drop box after which the original and duplicate copy of the request for fill and the original and duplicate copy of the fill slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or
 - (b) The accounting department for agreement, on a daily basis, with the duplicate fill slip and duplicate copy of the request for fill removed from the drop box and the triplicate.

Transferring chips.

(12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-865, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-865, filed 4/14/00, effective 5/15/00.]

230-15-125 Completing the credit process.

Requesting credit.

- (1) The floor supervisor must prepare a request for credit to authorize the cage to prepare a credit slip for the removal of gambling chips and coin to the cashier's cage.
- (2) The floor supervisor and a security employee must sign the request for credit slip at the gambling table from which the gambling chips and coin are being removed.

Transporting requests for credit.

- (3) A security department employee transports the original of the request for credit and the gambling chips or coin removed from the gambling table directly to the cashier's cage.
- (4) The dealer must place the duplicate copy face up on the gambling table. The request for credit must not be removed until a credit slip is received from the cashier's cage.

Filling a request for credit.

- (5) The cashier must prepare a credit slip in the format we require whenever gambling chips or coin are removed from the gambling tables to the cashier's cage.
- (6) The cashier must sign the credit slip when finished preparing the credit.
- (7) A security department employee must compare and verify the request for credit to the credit slip and sign the credit slip.
- (8) Security must transport the credit slip to the gambling table.
- (9) The cashier retains the original of the request for credit.

Receiving the credit

- (10) On receiving the credit slip, the dealer and the floor supervisor verifies the amount of the credit and signs the credit slip.
- (11) After the dealer and floor supervisor sign the credit slip, the security employee must observe that the dealer immediately places the duplicate credit slip and the request for credit in the drop box attached to the gambling table from which the gambling chips or coin were removed.
- (12) The security department employee must return the original credit slip to the cashier's cage. The cage cashiers must keep together and control the original of the credit slip and request for credit.
- (13) If an error is made on the credit slip, the cage cashier must write "VOID" on the original and duplicate of the slip and sign the slip.
- (14) At the end of the day or shift, the cage cashier must forward all slips to either:
 - (a) The count team for agreement with the duplicate of the credit slip and duplicate of the request for credit removed from the drop box. After the

count, all credits must be forwarded to the accounting department for agreement with the triplicate; or

(b) The accounting department for agreement with the duplicate credit slip and duplicate request for credit removed from the drop box and the triplicate.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-870 Removing chips and coins from tables — Requests and credits — House-banking.

All transfers of gaming chips and coins shall be closely controlled and documented in a manner that ensures accountability. Gaming chips and coins shall only be removed from gaming tables with adequate security. The following restrictions and procedures apply:

Credit slip.

(1) Each "credit slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of credit slips received by a licensee shall be controlled and accounted for separately;
- (b) Request for credits shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Credit slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for credit.

(2) A "request for credit" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a credit slip for the removal of gaming chips and coins to the cashier's cage. The original and duplicate of the request for credit shall include the following entries:

- (a) The date, time and shift of preparation;
- (b) The denomination of gaming chips or coins to be removed from the gaming table;
- (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming table;
- (d) The game and table number from which the gaming chips or coins are to be removed; and
- (e) The signature of the gaming operation supervisor and dealer assigned to the gaming table from which gaming chips or coins are to be removed.

Employee verification.

(3) Immediately upon preparation of a request for credit and transfer of gaming chips or coins to a security department employee, a gaming operation supervisor

shall obtain on the duplicate copy of the request for credit the signature of the security department member to whom the gaming chips and coins were transferred. The dealer shall place the duplicate copy in public view on the gaming table from which the gaming chips or coins were removed. Such request for credit shall not be removed until a credit slip is received from the cashier's cage at which time the request for credit and credit slip are deposited in the drop box.

Transporting requests.

(4) The original of the request for credit and the gaming chips or coins removed from the gaming table shall be transported directly to the cashier's cage by the security department employee.

Credit slip procedures.

(5) A credit slip shall be prepared by the cashier whenever gaming chips or coins are removed from the gaming tables to the cashier's cage. The following procedures and requirements shall be observed with regard to credit slips:

(a) Each series of credit slips shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser:

Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of credit slips, placing credit slips in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on credit slip.

(6) On the original, duplicate and triplicate copies of a credit slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins removed from the gaming table to the cashier's cage;

(b) The total amount of each denomination of gaming chips or coins removed from the gaming table to the cashier's cage;

(c) The total amount of all denominations of gaming chips or coins removed from the gaming table to the cashier's cage;

(d) The game and table number from which the gaming chips or coins were removed;

(e) The date and shift during which the removal of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the credit slip shall be recorded, at a minimum, on the original and duplicate copy.

Signatures required on credit slips.

(8) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit slip shall be, at a minimum, the following personnel at the following times:

- (a) The cage cashier upon preparation;
- (b) The security department employee transporting the gaming chips or coins to the cashier's cage upon presentation to the cashier;
- (c) The dealer assigned to the gaming table upon receipt at such table from the security department employee; and
- (d) The gaming operation supervisor assigned to the gaming table upon receipt at such table.

Transporting chips and coins.

(9) Upon meeting the signature requirements, the security department employee transporting the original and duplicate copies of the credit slip to the gaming table, shall observe the following:

- (a) The dealer shall immediately place the duplicate copies of the credit slip and request for credit in the drop box attached to the gaming table from which the gaming chips or coins are removed; and
- (b) The security department employee shall expeditiously return the original credit slip to the cashier's cage where the original of the credit slip and request for credit shall be maintained together and controlled by cage employees.

VOID procedures.

(10) The original and duplicate copies of "VOID" credit slips, and the original request for credit and credit slip shall be forwarded to:

- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate credit slip and the duplicate request for credit removed from the drop box, after which the request for credit and the original and duplicate credit slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or
- (b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit slip and request for credit removed from the drop box and the triplicate.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-870, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-870, filed 4/14/00, effective 5/15/00.]

230-15-126 Closing tables.

When closing tables, house-banked card game licensees must follow these steps:

- (1) The dealer assigned to the gambling table must count the gambling chips and coins, and a floor supervisor must observe the count. The surveillance department must monitor and record the entire count and closure process.

- (2) The floor supervisor assigned to the gambling table must record the chips and coins counted on a table inventory slip.
- (3) Licensees must use consecutively pre-numbered three-part forms for table inventory slips. Table inventory slips must be in the format we require and have three parts:
 - (a) The original (the closer); and
 - (b) The duplicate (the opener); and
 - (c) The triplicate (which is transported by security to accounting).
- (4) The dealer and the floor supervisor who observed the dealer count must sign the table inventory slip, confirming the information recorded at the time of closing.
- (5) After both the dealer and floor supervisor have signed the closer, the dealer must deposit the closer in the drop box attached to the table. If there are chips and coin remaining at the table, the dealer must place the opener face up in the chip tray, arranged so that the slip is clearly visible. Then the floor supervisor must lock the clear chip tray cover. The chip trays must be under recorded surveillance at all times.
- (6) A security department employee must take the triplicate of the table inventory slip directly to the accounting department.
- (7) If an error is made on the closer, the preparer must write "VOID" on all copies of the form and forward them to the accounting department.
- (8) If the locked chip trays are transported to the cashier's cage at the end of each gambling day, a cage cashier must determine that all locked chip trays have been returned to the cage and are adequately secured. The house-banked card game licensee must clearly mark the chip tray on the outside with the game and the gambling table number which it matches.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-875 Closing gaming tables -- House-banking.

Procedures shall be followed for closing gaming tables that ensure proper accountability of gaming chips and coins. The following restrictions and procedures apply:

Counting chips and coins.

(1) Whenever the gaming activity at each gaming table is concluded for the day, the gaming chips and coins shall be counted by the dealer assigned to the gaming table and observed by a gaming operation supervisor. The entire count and closure process shall be monitored and recorded by the surveillance department.

Recording the count.

(2) The gaming chips and coins counted shall be recorded on a table inventory slip by the gaming operation supervisor assigned to the gaming table.

Table inventory slips.

(3) Table inventory slips shall be three-part serially prenumbered forms and on the original of the slip (closer), the duplicate of the slip (opener), and on the

triplicate, which is maintained and controlled by security, the gaming operation supervisor shall record the following:

- (a) The date and identification of the shift ended;
- (b) The game and table number;
- (c) The total value of each denomination of gaming chips and coins remaining at the tables; and
- (d) The total value of all denominations of gaming chips and coins remaining at the gaming tables.

Verification signatures.

(4) Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of closing the gaming tables shall be of the dealer and the gaming operation supervisor assigned to the gaming table who observed the dealer count the contents of the table inventory.

Distributing table inventory slips.

(5) Upon meeting the signature requirements:

- (a) The closer shall be deposited in a drop box attached to the gaming table immediately prior to the closing of the table;
- (b) The opener and the gaming chips and coins remaining at the table shall be placed in a clear container provided for that purpose after which the container shall be locked; and
- (c) The triplicate copy of the table inventory slip shall be forwarded to the accounting department by a security department employee.

VOID procedures.

(6) In the event the closer is voided, the preparer shall void this form by writing the word "VOID" on all copies of the form. All copies of the form shall then be forwarded to the accounting department.

(7) At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier shall determine that all locked containers have been returned to the cage and adequately secured or, if the locked containers are secured to the gaming table, a gaming operation supervisor shall account for all the locked containers.

Removing drop boxes from tables.

(8) In the event drop boxes are removed from gaming tables at other than the close of the gaming day, they shall be removed at a shift change. A table inventory slip shall be prepared as required above with the incoming and outgoing supervisor verifying the inventory and signing.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-875, filed 4/16/03, effective 7/1/03; 01-13-091 (Order 403), § 230-40-875, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-875, filed 4/14/00, effective 5/15/00.]

What we changed: We have removed this rule.

Why: The same information is contained in other rules.

~~230-15-127 Storing chip trays during nongambling hours.~~

~~(1) House-banked house-banked card game licensees must store each table inventory of chips and coin and the table inventory slip in a separate locked and secured chip tray during nongambling hours.~~

~~(2) If the house-banked card game licensee stores chip trays containing any chips and/or coin at the gambling table during nongambling hours,~~

~~(3) If the house-banked card game licensee stores chip trays containing chips and/or coin in the cashier's cage during nongambling hours,--~~

~~[Statutory Authority: RCW 9.46.070.]~~

WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games.**Storing containers and inventory slips.**

(2) Each table inventory and the table inventory slip prepared in conformity with the procedures set forth in WAC 230-40-875 shall be stored during nongaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. The information on the table inventory slip shall be visible from the outside of the container. All containers shall be stored in the cashier's cage during nongaming hours: Provided, That containers may be secured at the gaming table if under recorded surveillance.

230-15-128 Notifying the commission of card game interruptions.

House-banked card game licensees must notify us in writing if they interrupt operations of card games for more than seven days. Licensees must:

- (1) Notify us at least three days before the interruption; and
- (2) Include the reason for the interruption; and
- (3) Include the estimated date card games will resume.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-801 Interruption of card games -- Preoperational review and evaluation required -- Procedures -- House-banking.**Notification of interruptions in operations.**

(2) A licensee shall notify the commission in writing if the operation of house-banked card games is interrupted for more than seven days. Such notification shall:

- (a) Be made within three days of the interruption;
- (b) Include the reason for ceasing operations; and
- (c) Include the estimated date operations are planned to recommence.

Procedures for interruptions in operations.

(3) A licensee shall comply with the following procedures prior to commencing operations:

- (a) Provide the commission, in writing, with any changes in the information required by WAC 230-04-207;
- (b) Request commission staff to evaluate the impact of any changes in internal controls, physical layout, or personnel structure and to complete a PORE for changes that are material;
- (c) Correct any discrepancies noted by the staff's review; and
- (d) Receive written approval from the director to commence operations: Provided, That the director may allow limited operations when changes require the staff to observe operations in order to evaluate the impact of changes.

[Statutory Authority: RCW 9.46.070. 01-23-055, § 230-40-801, filed 11/20/01, effective 1/1/02.]

Rule Summary: changing to match actual practice

230-15-130 Interruption of card games for more than seven days.

- (1) If house-banked card game licensees interrupt card game operations for more than seven days, we determine whether a preoperational review and evaluation (PORE) is needed. Licensees must receive our written approval before resuming operations.
- (2) The PORE determines whether:
 - (a) Licensees have an organizational structure that can support their proposed accounting and administrative controls; and
 - (b) Internal accounting and administrative controls ensure that licensees closely control the gambling activities and accurately record financial information; and
 - (c) Licensees have enough trained staff; and
 - (d) The physical layout of the card room and supporting functions can handle the proposed accounting and administrative controls.

[Statutory Authority: RCW 9.46.070 and RCW 9.46.153.]

WAC 230-40-801 Interruption of card games -- Preoperational review and evaluation required -- Procedures -- House-banking.

A house-banked card room applicant, or a current licensee who interrupts operations for a substantial period, shall demonstrate the ability to comply with commission requirements prior to operating house-banked card games. In order to demonstrate such capability, the commission staff shall complete a preoperational review and evaluation (PORE) of the entire operation. The following requirements and preoperating procedures apply to house-banked card rooms:

Review and evaluation process.

- (1) The commission staff shall review and evaluate the information presented per WAC 230-04-207 to determine:

- (a) The internal accounting and administrative controls are adequate to assure gambling activities are controlled and results of operations are accurately recorded;
 - (b) The physical layout of the card room and supporting functions are adequate to implement the proposed accounting and administrative controls;
 - (c) The applicant has adequate trained personnel and an organizational structure that will support implementation of the proposed accounting and administrative controls.
-

Handling Cash or Chips in House-Banked Card Rooms

230-15-131 Closely controlling money.

House-banked card game licensees must closely control and keep records documenting all receipts and disbursements of cash, cash equivalents, chips, and coin related to the operation of card games.

WAC 230-40-830 Cashier's cage -- Requirements -- House-banking. Location.

All cash, cash equivalents, and chips related to the operation of card games shall be closely controlled and records maintained documenting receipts and disbursements. Licensees shall maintain a cashier's function whose responsibility shall be to secure and account for all chips and monies in the card room portion of the premises.

230-15-132 Cashier cage design and structure.

(1) House-banked card game licensees must:

- (a) Locate on, or immediately adjacent to, the gambling floor a physical structure to house the cashier and act as a cashier cage.
- (b) Design, construct, and operate the cashier cage to provide maximum security and accountability for funds.

(2) The cage must include, at a minimum:

- (a) An enclosed structure with openings through which gambling chips, checks, cash, records, documents, and other such items can be passed;
- (b) Manually triggered silent alarm systems connected directly to the surveillance room(s) of the closed circuit television system or an alarm monitoring agency; and
- (c) A locked door, which the surveillance department monitors access to with closed circuit television.

[Statutory Authority: RCW 9.46.070.]

Design and structure.

(2) The cage shall be designed, constructed and operated to provide maximum security and accountability for funds including, at a minimum, the following:

- (a) An enclosed structure except for openings through which items such as gaming chips, checks, cash, records, and documents can be passed to service the public and gaming tables;
 - (b) Manually triggered silent alarm systems connected directly to the surveillance rooms of the closed circuit television system or an alarm monitoring agency;
 - (c) Access shall be through a locked door, which shall have closed circuit television coverage which is monitored by the surveillance department.
-

230-15-133 Operating the cashier cage.

(1) House-banked card game licensees must have a cashiers cage which is responsible for securing and accounting for all chips and monies in the card room portion of the business premises. Licensees must ensure that their cage cashiers, at least:

- (a) Keep the cage inventory including currency, coin, player checks, gambling chips, forms, documents, and records normally associated with the operation of a cage, including, at least:
 - (i) Receiving gambling chips, cash, checks, and other cash equivalents from players in exchange for currency or coin or for check consolidations, total or partial redemptions, or substitutions; and
 - (ii) Receiving cash or chips from the count room; and
- (b) Perform functions necessary to ensure accurate accountability of funds and chips consistent with these requirements, including, at least:
 - (i) Reconciling the total closing inventory with the total opening inventory
 - (ii) Receiving request for fill slips in order to issue fill slips and requested coin and chips; and
 - (iii) Receiving chips and coins removed from gambling tables in exchange for issuing of a credit; and
 - (iv) Receiving documents with signatures that ensure the effective segregation of duties; and
 - (v) Counting and recording the face value of each cage inventory item on a cashier's count sheet, along with the total opening and closing inventories, at the end of each of their outgoing shifts; and
 - (vi) Signing, at their incoming and outgoing shift, the cashier's count sheet and the cage inventory count sheet, attesting to accuracy of the count.
 - (vii) Preparing the overall cage reconciliation and accounting records; and
 - (viii) Forwarding, at the conclusion of the daily gambling activity, copies of the cashier's count sheet, cage inventory count sheet, and related documents to the accounting department for reconciling the agreement of opening and closing inventories, notification of error slips, and the agreement of amounts on other forms, records, and documents recording transactions.

(2) Licensees may sell merchandise items out of the cashiers cage as long as they have a separate bank and receipting system for the sale and accounting of these items.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-830 Cashier's cage -- Requirements -- House-banking.
Location.**

...At a minimum, the following restrictions and procedures apply:

(1) There shall be on or immediately adjacent to the gaming floor a physical structure known as the cashier's cage (cage) to house the cashiers and to serve as the central location for, at a minimum, the following:

- (a) The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;
- (b) The approval of patron checks for the purpose of gaming;
- (c) The receipt and distribution of gaming chips from the gaming table and the redemption of gaming chips from patrons. The purchase of gaming chips by patrons shall only occur at the gaming table...; and
- (d) Such other functions normally associated with the operation of a cage.

WAC 230-40-835 Accounting controls for cashier's cage.

Licensees required to maintain a cashier's cage shall adhere to the following controls to ensure proper accountability for funds. The following restrictions and procedures apply to cashiers and the cage:

(1) Cashiers shall be responsible for at least the following functions:

- (a) Receive cash, checks, and gaming chips from patrons for check consolidations, total or partial redemptions or substitutions;
- (b) Receive gaming chips from patrons in exchange for cash;
- (c) Receive traveler's checks and other cash equivalents (including money orders, certified checks, and cashier's checks) from patrons in exchange for currency or coin;
- (d) Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage;
- (e) Receive from security department personnel, chips and coins removed from gaming tables in exchange for the issuance of a credit;
- (f) Receive from security department members, requests for fills in exchange for the issuance of a fill slip and the disbursement of gaming chips;
- (g) Receive cash or chips from the count room;
- (h) At the end of each shift, the cashiers assigned to the outgoing shift shall count each cage inventory item and record on a cashier's count sheet the face value of each inventory item and the total of the opening and closing inventories. The total closing inventory shall be reconciled with the total opening inventory;
- (i) Prepare the overall cage reconciliation and accounting records; and
- (j) Perform such other functions as necessary to ensure proper accountability of funds and chips consistent with these standards.

(2) Signatures attesting to accuracy shall, at a minimum, be contained on the following:

- (a) Cashier's count sheet; and
- (b) Cage inventory countsheet, which includes the signatures of the cashiers assigned to the incoming and outgoing shifts.

(3) At the conclusion of the daily gaming activity, copies of the cashier's count sheet, cage inventory count sheet and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories,

and agreement of amounts thereon to other forms, records and documentation for recording of transactions.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-835, filed 4/14/00, effective 5/15/00.]

230-15-135 Access and entrance to cashier's cage.

(1) House-banked card game licensees must limit entry to the cashier's cage to authorized personnel. Licensees must place on file with the accounting department the names of:

- (a) All persons authorized to enter the cage; and
- (b) Those who have the combination, keys, or the mechanism to open the locks to the entrance of the cage; and
- (c) Those who have the ability to operate the alarm systems.

(2) Licensees must keep a sign in log in the format we require of all persons accessing the cashier's cage.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-830 Cashier's cage -- Requirements -- House-banking. Entry into the cage.

(3) Entry to the cage shall be limited to authorized personnel. The gaming operation department shall place on file with the accounting department the names of all persons authorized to enter the cage, those who possess the combination or the keys or who control the mechanism to open the locks securing the entrance to the cage, and those who possess the ability to operate the alarm systems.

(4) A log shall be maintained documenting all persons entering the cashier's cage. The log must contain the person's name, title, time entering and exiting, and date of entry.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-830, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-830, filed 4/14/00, effective 5/15/00.]

Rule Summary: changed requirement for review to "accounting department" rather than "a supervisor of the accounting department" and removed "before replenishment" because that's not how things are really done in the card rooms.

230-15-137 Cashier cage bank requirements.

(1) House-banked card game licensees must keep the cashier's cage on an imprest basis. "Imprest basis" means the cage must replenish funds on a regular basis in exactly the amount of outgoing cash, chips, or coin (expenditures) minus the amount of funds added.

(2) The accounting department must review expenditures and replenishments.

(3) Licensees who have demonstrated the ability to operate cage activities properly may request our approval to operate on a float basis. "Float basis" means the cage may adjust cash inventory as necessary.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-833 Cashier's bank and minimum bankroll -- House-banking.

All card room licensees with house-banked card games or player-supported jackpots shall maintain sufficient funds to meet all cash out and prize payout requirements.

(1) All assets for which the cashiers are responsible shall be maintained on an imprest basis. This requires funds to be replenished on a regular basis by exactly the amount of expenditures from the cage less the amount of funds added. Expenditures shall be reviewed by a supervisor of the accounting department before replenishment: Provided, That licensees demonstrating the ability to control cage activity can request commission staff approval to operate on a float basis as an alternative procedure.

Rule Summary: Moved to General because we feel this does and should apply to all licensees. Licensees are already complying with this

230-15-137a Minimum cash on hand requirements.

- (1) House-banked card game licensees must have sufficient cash on hand to redeem all chips issued for play and pay out all prizes.
- (2) Licensees may pay prizes by check as long as sufficient funds are available in the account.
- (3) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud.

[Statutory Authority: RCW 9.46.070 and RCW 9.46.190.]

WAC 230-40-833 Cashier's bank and minimum bankroll -- House-banking.

(2) The licensee shall have sufficient cash on hand to redeem all chips and payout all prizes: Provided, That payments of prizes may be paid by check as long as sufficient funds are available on deposit in accordance with WAC 230-40-608 and 230-40-808.

(3) Failure to maintain funds to cash in chips, pay prizes, or redeem gaming related checks shall be prima facie evidence of fraud.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-833, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-833, filed 4/14/00, effective 5/15/00.]

230-15-138 Separate imprest bank allowed for nonhouse-banked card games.

House-banked card game licensees operating both house-banked and nonhouse-banked games may sell chips for poker games through an imprest

bank other than the cashier cage. The bank must be located within the cashier's cage or another location approved in the internal controls.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-830 Cashier's cage -- Requirements -- House-banking.
Location.**

(1 cont'd) Provided, That licensees operating both house-banked and nonhouse-banked games may sell chips for use in poker games through an imprest window bank located within the cashier's cage, or another location approved by commission staff

230-15-139 Accepting checks at the cashier's cage.

(1) House-banked card game licensees may accept checks from players as explained in WAC 230-06-005, but must meet the following additional requirements:

- (a) House-banked card game licensees may only accept checks from players at the cashier's cage; and
- (b) Before cashing the check, the cage cashier must examine the player's identification to confirm the player's identity; and
- (c) The cage cashier must:
 - (i) Endorse the check "for deposit only" to the house-banked card game licensee's bank account; and
 - (ii) Initial the check; and
 - (iii) Date and time stamp the check; and
 - (iv) Verify that the player is not listed on the daily returned check report. If house-banked card game licensees uses a check guarantee and collection service, the licensee may disregard this subsection; and
 - (v) Exchange the check for currency and coin in the amount for which the check is drawn, minus any applicable fees; and
 - (vi) Forward all player checks to the main bank cashier.
- (2) Before accepting a traveler's check from a player, the cashier must:
 - (a) Require the player to countersign the traveler's check in the cashier's presence; and
 - (b) Compare the countersignature with the original signature on the traveler's check; and
 - (c) Examine the traveler's check for any signs of tampering, forgery or alteration; and
 - (d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.
- (3) House-banked card game licensees must deposit all checks received into their bank account, within two banking days after receipt. Checks deposited to an armored car service within two days meet this requirement.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-845 Procedures for exchange of checks submitted by gaming patrons at cashier's cage.

In addition to the requirements set forth in WAC 230-12-053, checks submitted to the cashier's cage are subject to the following restrictions and procedures:

- (1) All checks sought to be exchanged at the cashiers' cage shall be presented directly to the cashier who shall:
 - (a) Restrictively endorse the check "for deposit only" to the licensee's bank account;
 - (b) Initial the check;
 - (c) Date and time stamp the check;
 - (d) Verify that the patron is not listed on the returned check log;
 - (e) Immediately exchange the check for currency and coin in an amount equal to the amount for which the check is drawn less any applicable fees; and
 - (f) Forward all patron checks to the main bank cashier.
- (2) Prior to acceptance of a traveler's check from a patron, the cashier shall:
 - (a) Require the patron to countersign the traveler's check in his or her presence;
 - (b) Compare the countersignature with the original signature on the traveler's check;
 - (c) Examine the traveler's check for any other signs of tampering, forgery or alteration; and
 - (d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.
- (3) Prior to the acceptance of any check from a patron, the cashier shall examine that patron's identification to confirm the patron's identity.
- (4) All checks received shall be deposited in the licensee's bank account within two banking days after receipt: Provided, That checks deposited within two days to an armored car service shall meet this requirement.

New tip rule is on the same time track to be passed as this chapter. This rule will be revised if the new tip rule is passed.

230-15-186 Tips from players and patrons to card room employees.

Licensees may allow selected employees to accept tips from patrons. If allowed, licensees must control tips in a manner to ensure that only authorized employees receive tips, that tips are properly accounted for, and that tips are maintained separately from all other gambling funds. Licensees must apply the following restrictions and procedures:

- (1) No employee directly concerned with management, supervision, accounting, security, or surveillance may solicit, accept or otherwise share any tip originating from any player or patron. Licensees may allow cage cashiers to accept tips.
- (2) Each licensee must establish procedures necessary to ensure that the floor supervisor and surveillance observe dealers accepting tips. Procedures must

include an overt display of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Cashier tip containers must be located outside the cage enclosure. The patron must directly deposit tips to the cashier into the tip container.

(4) Employees must retain or pool tips among employees as the licensee determines.

(5) Licensees must establish and implement procedures for the proper accounting of tips received by authorized card room employees. The licensee must fully document procedures in the internal controls and must describe in detail any methods used to allocate tips. Accounting and recording of tip income must be in sufficient detail to meet federal income tax requirements.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-855 Acceptance of tips from patrons for house-banked activities.

Licensees may allow selected employees to accept tips from patrons. If allowed, tips shall be controlled in a manner to ensure they are only received by authorized persons, properly accounted for, and maintained separate from all other gaming funds. The following restrictions and procedures apply:

(1) No employee directly concerned with management, supervision, accounting, security, or surveillance shall solicit, accept or otherwise share any tip originating from any player or patron: Provided, That cage cashiers shall be allowed to accept tips.

(2) Each licensee shall establish procedures necessary to ensure that the acceptance of tips by dealers is observed by the floor supervisor and surveillance. Procedures shall include an overt display of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Tips to the cashier shall be deposited directly into the tip container by the patron. Cashier tip containers shall be located outside the cage enclosure.

(4) Tips received shall be retained by employees or pooled among employees in such manner as determined by the licensee.

(5) Licensees shall establish and implement procedures for the proper accounting of tips received by authorized card room employees. The procedures shall be fully documented in the licensee's internal controls and shall describe in detail any methods used to allocate tips. Accounting and recording of tip income shall be in sufficient detail to meet federal income tax requirements.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-855, filed 4/14/00, effective 5/15/00.]

Collecting Fees

230-15-153 Fee collection on winning hands.

The only direct or indirect fee (commission) house-banked card game licensees may collect is a maximum of five percent from a winning hand.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-040 Fees for house-banked card games -- Prohibited -- Exception.

No person shall be charged a fee, directly or indirectly, to participate in house-banked card games: Provided, That a licensee may collect a commission of not more than five percent from a winning hand.

[Statutory Authority: RCW 9.46.070. 03-20-009 (Order 424), § 230-40-040, filed 9/18/03, effective 1/1/04; 00-09-052 (Order 383), § 230-40-040, filed 4/14/00, effective 5/15/00.]

230-15-154 Using drop boxes.

(1) House-banked card game licensees must use a metal drop box to collect payment. Drop boxes must be constructed so that the contents are secure.

(2) Licensees must attach a drop box to each gambling table. The dealer, the floor supervisor, or security personnel must deposit in this drop box all cash, requests for fill, duplicate fill slips, requests for credit, credit slips, and table inventory forms.

(3) Each drop box must have:

- (a) **A box lock** — A lock securing the contents. The accounting department must keep and control the key to this lock;
- (b) **A table lock** — A separate lock securing the drop box to the gambling table. House-banked card game licensees must key this lock differently from the lock securing the contents of the drop box. The security department must keep and control the key used to unlock this lock;
- (c) **An opening** — An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;
- (d) **A label** — A permanently imprinted or impressed number that is clearly visible and corresponds to a permanent number on the gambling table to which the box is attached. House-banked card game licensees must also include a marking to indicate the game. Licensees also must include the shift if they remove drop boxes from tables more than once during a gambling day.

(4) Licensees may keep emergency drop boxes if they permanently imprint or impress "emergency" on the box, and, when they put the emergency box into use, licensees temporarily mark it with the number of the gambling table and identification of the game and shift.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.

All card room licensees operating house-banked card games or collecting fees utilizing the drop box collection method (WAC 230-40-050) shall use a drop box. Drop boxes shall be constructed and controlled in a manner to provide security of contents and shall meet the following requirements and procedures:

Drop box requirements.

(1) Each gaming table shall have attached to it a metal container known as a "drop box" into which all cash, duplicate fill slips and credit slips, request for fills, request for credits, and table inventory forms shall be deposited.

(2) Each drop box shall have the following:

Box lock.

(a) A lock securing the contents. The key to this lock shall be maintained and controlled by the accounting department;

Table lock.

(b) A separate lock securing the drop box to the gaming table. This lock shall be keyed differently from the lock securing the contents of the drop box. The key utilized to unlock this lock shall be maintained and controlled by the security department;

Opening on box.

(c) An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;

Labeling drop boxes.

(d) Permanently imprinted or impressed thereon and clearly visible, a number corresponding to a permanent number on the gaming table to which it is attached and a marking to indicate the game. The shift shall also be included if drop boxes are removed from tables more than once during an operating day: Provided, That emergency drop boxes may be maintained without such number or marking, if the word "emergency" is permanently imprinted or impressed thereon, and when put into use, are temporarily marked with the number of the gaming table and identification of the game and shift.

230-15-155 Transporting drop boxes.

(1) When transporting drop boxes, house-banked card game licensees must have one security employee and one gambling operation employee transport all drop boxes removed from the gambling tables directly to the count room and secure them there. The security employee must notify the surveillance department when transport begins.

(2) If drop boxes are removed from gambling tables at times other than the close of the gambling day, the persons removing drop boxes must remove them during a shift change. These persons must prepare a table inventory slip as required in

WAC 230-15-XXX, and the incoming and outgoing supervisors must verify the inventory and sign the table inventory slip.

(3) Count team members may pull and transport the drop boxes to the count room for the count process as long as:

- (a) The gambling operation is closed; and
- (b) The card room entrances/exits are locked; and
- (c) Security supervises the transport.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.

Transportation to the count room.

(3) All drop boxes removed from the gaming tables shall be transported directly to the count room and secured by one security department member and one employee of the gaming operation department: Provided, That licensees not required to maintain a count room shall transport drop boxes directly to the count area using the supervisor or the supervisor's designee for the transport: Provided further, That a licensee may utilize the count team members to pull and transport the drop boxes to the count room for the count process, if conducted under the supervision of security when the gaming operation is closed and the card room entrances/exits are locked.

230-15-156 Storing drop boxes not attached to tables in the count room.

House-banked card game licensees must store all drop boxes not attached to a gambling table in the count room in an enclosed storage cabinet or trolley with two separately keyed locks. The security department must keep and control one of the keys to the locks and the gambling operation department must keep and control the other key to the locks.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.

Storing drop boxes in count room.

(4) All drop boxes not attached to a gaming table shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by two separately keyed locks. The key to one lock shall be maintained and controlled by the security department and the key to the other lock shall be maintained and controlled by the gaming operation department.

What we changed: We have rewritten this rule to use the word "recorded" instead of "taped."

Why: Many operators now use digital surveillance recording and, therefore, do not have tapes. "Recorded" allows for both analog and digital recording.

230-15-157 Storing drop boxes on closed gambling tables.

House-banked card game licensees may store drop boxes on closed gambling tables if recorded surveillance covers the entire area.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.

Storing drop boxes on gaming tables.

(5) Drop boxes, when not in use during a shift, may be stored on the gaming tables if the entire area is covered by taped surveillance.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-840, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-840, filed 4/14/00, effective 5/15/00.]

230-15-158 Requirements for count rooms.

(1) House-banked card game licensees must have a secured area, called a "count room," for counting the contents of drop boxes.

(2) Licensees must design and construct the count room to provide maximum security for the materials housed there and for the activities conducted there. The count room must be fully enclosed with only one entry. House-banked card game licensees must also have:

- (a) A door with at least one lock securing the count room door. The security department must keep and control the key or combination to the door. If a double locking system is used, the gambling operation department must keep a second key; and
- (b) A sign-out procedure for all authorized keys used for the count process; and
- (c) An alarm device connected to the entrance of the count room so that opening the door signals the surveillance employees monitoring the closed circuit television system.

(3) In the count room, house-banked card game licensees must have:

- (a) A table of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes (the "count"); and

- (b) Closed circuit television cameras and microphones that capture effective and detailed video and audio monitoring of the entire count process; and
- (c) A sign in the count room or at the entrance that states audio recordings is occurring within the count room at all times.

(4) Licensees must keep a count room sign-in log in the format we require.

[Statutory Authority: RCW 9.46.070.]

Now in another rule Class F count process

WAC 230-40-880 Count room requirements.

All card room licensees offering house-banked card games or **utilizing drop boxes for the collection of game fees or wagers** shall be required to maintain a secured area for the counting of gaming chips, coin, and currency. The following requirements, restrictions, and procedures apply:

- (1) There shall be a room specifically designated for counting the contents of drop boxes, which shall be known as the "count room" **Paste rest of rule back**
- (2) The count room shall be a fully enclosed room with only one entry designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:
 - (a) A door equipped with at least one lock securing the count room door, the key or combination to which shall be maintained and controlled by the security department. If a double locking system is used, the gaming operation department shall maintain a second key;
 - (b) The gaming operation department or security department shall establish a sign-out procedure for all keys removed from the security department; and
 - (c) An alarm device connected to the entrance of the count room in such a manner as to cause a signaling to the surveillance employees of the closed circuit television system whenever the door to the count room is opened.
- (3) The following shall be located within the count room:
 - (a) A table constructed of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes which shall be known as the "count";
 - (b) Closed circuit television cameras and microphones that are capable of, but not limited to, the following:
 - (i) Effective and detailed video and audio monitoring of the entire count process; and
 - (ii) Effective, detailed video-monitoring of the count room and all contents, including storage cabinets or trolleys used to store drop boxes.
 - (c) The licensee shall post a sign within the count room or at the entrance disclosing that audio recordings within the count room are being conducted at all times.
- 4) A count room sign-in log shall be maintained by the licensee as prescribed by the commission.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-880, filed 4/14/00, effective 5/15/00.]

What we changed: We have rewritten this rule to include an existing rule interpretation.

Why: We are attempting to clarify and strengthen the rule by adding in the requirements about who can serve on a count team.

Steve Griffiths feels that this interpretation does not have the full force of WAC and therefore should go through the formal rule-making process.

The limiting of who can be on the count team impacts small businesses who don't have the personnel to have three extra people. He feels the rule interpretation is in conflict with the old rule. Make examples of who can/cannot work—i.e. persons who worked the previous day because they would be counting their own paperwork, people who work in accounting who also review the count. Anyone who signed the prior day's documents. Owners always have a conflict.

230-15-159 Preparing to conduct a count.

- (1) House-banked card game licensees must assign employees to conduct the count. The count team must be made up of three or more licensed employees who do not work in the surveillance department or who do not have duties which include preparing, approving, or reviewing records used in the count process.
- (2) Licensees must accurately count and record the contents of drop boxes to ensure the proper accountability of all gambling chips, coin, and currency. The count must be done at least once each gambling day.
- (3) If a cage cashier completes the opener, closer, fills, and credits portions of the master game report, the cashier sends the original to the count team for completion. The cage cashier must immediately send a copy directly to the accounting department.
- (4) A count team member must notify the surveillance room observer that the count is about to begin, after which the surveillance employee must make a video and audio recording of the entire count process.
- (5) Before the opening of the drop boxes, the count team must lock the door to the count room. House-banked card game licensees must permit no person to enter or leave the count room, except for a normal work break or an emergency, until the count team has completed the entire counting, recording, and verification process for the contents of drop boxes.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-885 Count procedures -- House-banking.

Card rooms that offer house-banked card games shall ensure the contents of drop boxes are counted and recorded in a manner that ensures the proper accountability of all gaming chips, coins, and currency. The following restrictions and procedures apply:

Notification of count.

(1) The security department shall notify the surveillance department whenever the contents of drop boxes removed from gaming tables are to be counted and recorded, which, at a minimum, shall be once each gaming day.

Count team members.

(2) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of and by those employees assigned by the gaming operation department for the conduct of the count. The count team must consist of three employees who shall not be in a position to perpetrate or conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

Securing the count room.

(3) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

Video and audio recording of the count.

(4) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television surveillance room in the establishment that the count is about to begin, after which such person shall make a video and audio recording of the entire counting process.

Count procedures.

(5) (h) Notwithstanding the requirements of (f) and (g) of this subsection, if the licensee's system of accounting and internal controls provides for the recording on the master game report of fill slips, credit slips, and table inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare the serial numbers and totals of the amounts recorded thereon to the fill slips, credit slips, and table inventory slips removed from the drop boxes: Provided, That the accounting department may complete the win/loss portions independently from the count team, if properly documented in the approved internal controls; and (i) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon.

The original rule was extremely difficult to understand and we have consulted several times with the field experts and admin team to get the rule correct.

230-15-160 Conducting the count.

- (1) The contents of drop boxes must not be mixed before the count team separately counts and records the contents of each box; and
- (2) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, marked on the drop box loudly enough to be heard by all persons present and to be recorded by the audio recording equipment; and
- (3) A count team member must empty the contents on to the count table; and
- (4) Immediately after the contents are emptied onto the count table, a count team member must hold up the inside of the drop box to the full view of a closed circuit television camera, and show it to at least one other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and
- (5) Count team member(s) must separate the contents of each drop box into separate stacks on the count table by denominations of coin and currency and by type of form, record, or document; and
- (6) At least two count team members must count, either manually or mechanically, each denomination of coin and currency separately. Count team members must place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and at least one other count team member must observe and confirm the accuracy of the count orally or in writing; and
- (7) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, and currency counted (the drop) on the master games report; and
- (8) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and
- (9) The accounting department may complete the win/loss portions of the master game report independently from the count team, if this is properly documented in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-885 Count procedures -- House-banking.
Count procedures.**

(5) Contents of drop boxes shall not be mixed prior to counting and recording of each drop box. Procedures and requirements for conducting the count shall be the following:

- (a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons

present and to be recorded by the audio recording device, the game, table number, and shift marked thereon;

(b) The contents of each drop box shall be emptied and counted separately on the count table;

(c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member to confirm that all contents of the drop box have been removed, after which the drop box shall be locked and placed in the storage area for drop boxes;

(d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;

(e) Each denomination of coin and currency shall be counted separately, either manually or mechanically, by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;

(f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, table number, and shift, the following information:

(i) The total amount of currency and coin counted, also known as the "drop";

(ii) The amount of the opener;

(iii) The amount of the closer;

(iv) The serial number and amount of each fill slip;

(v) The total amount of the fill;

(vi) The serial number and amount of each credit slip;

(vii) The total amount of all credit slips; and

(viii) The game win or loss.

(g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, table inventory slips, fill slips and credit slips counted, and win or loss, together with such additional information as may be required on the master game report by the licensee;

The original rule was extremely difficult to understand and we have consulted several times with the field experts and admin team to get the rule correct.

230-15-161 Concluding the count.

(1) After completing the count, the count team must have all cash removed from the drop boxes verified by a cage cashier.

- (2) In the presence of the count team and before looking at the master game report, the cashier must recount the cash, either manually or mechanically.
- (3) The cashier must sign the master game report verifying that it is accurate.
- (4) Each count team member must sign the report attesting to the accuracy of the information recorded.
- (5) A count team member or other employee, except for the cage cashier, must take the original master game report to the accounting department, along with the request for fills, the fill slips, the requests for credit, the credit slips, and the table inventory slips removed from drop boxes.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-885 Count procedures -- House-banking.

Concluding the count.

(6) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:

- (a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master game report and in the presence of the count team, shall recount, either manually or mechanically, the cash received;
- (b) The top copy of the master game report, after signing, and the request for fills, the fill slips, the request for credits, the credit slips, and the table inventory slips removed from drop boxes, shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel; and
- (c) If the licensee's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fill slips, credit slips, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.

What we changed: We have rewritten this rule to remove the daily check of the whiz machine.

Why: This change is less restrictive for licensees and will allow accounting departments to close on weekends. Previously, at least one employee had to come in on weekends simply to compare a sample of duplicates and triplicates against the originals. With this change, the accounting checks can take place during the first day of work after a weekend or holiday.

230-15-162 Accounting department review of the count.

- (1) On a daily basis, the accounting department must:
 - (a) Have persons with no recording responsibilities compare a sample of originals and copies of the day's master game report, requests for fill, fill slips, requests for credit, credit slips and table inventory slips for

- agreement with each other and, if applicable, to triplicates or stored data; and
 - (b) Review a sample for the appropriate number and propriety of signatures; and
 - (c) Account for the originals and copies by series numbers, if applicable; and
 - (d) Test the originals and copies for proper calculation, summarization, and recording; and
 - (e) Subsequently record the originals and copies in monthly records; and
 - (f) Keep and control the originals and copies.
- (2) If the accounting department does not work on weekends or federal or state holidays, they must complete these reviews on the following day.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-885 Count procedures -- House-banking.
Accounting.**

- (7) The originals and copies of the master game report, request for fills, fill slips, request for credits, credit slips and table inventory slips shall on a daily basis, in the accounting department be:
- (a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;
 - (b) Reviewed for the appropriate number and propriety of signatures on a test basis;
 - (c) Accounted for by series numbers, if applicable;
 - (d) Tested for proper calculation, summarization, and recording;
 - (e) Subsequently recorded; and
 - (f) Maintained and controlled by the accounting department.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-885, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-885, filed 4/14/00, effective 5/15/00.]

Securing House-banked Card Room Keys

230-15-163 Restricting access and controlling house-banked card room keys.

House-banked card game licensees must use keys to restrict access to unauthorized areas.

- (1) Licensees must install and keep key control boxes that, at least:
 - (a) Are constructed of metal with a minimum of one keylock mechanism. We permit coded key boxes or combination key boxes; and
 - (b) Are attached to a permanent structure without the hardware used to attach the key box being visible; and
 - (c) Are tamper proof; and
 - (d) Store keys so that they are identifiable, have identification labels, and are displayed in numeric or alphabetic order; and
- (2) Licensees may decide the location of key control boxes, but the location must not allow an individual to gain access to a restricted area that he or she would not otherwise be authorized to enter.
- (3) If licensees locate key boxes in restricted areas, persons who are not authorized to enter those areas must give their key to the key box to an authorized person and the authorized person must only open the key box in the presence of the unauthorized person or while under camera coverage.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.

All activities related to the operation of house-banked card games shall be closely monitored and controlled. The following restrictions and operating procedures shall apply for control of card room keys to restrict access to areas by unauthorized card room employees.

Specifications.

- (1) Each licensee shall install and maintain key control boxes that meet at least the specifications set forth below:
 - (a) Constructed of metal with a minimum of one keylock mechanism: Provided, That coded key boxes or combination key boxes are permitted;
 - (b) Be attached to a permanent structure without visibility of hardware used to attach the key box;
 - (c) Be tamper proof;
 - (d) Have keys stored therein to be easily identifiable, labeled, and displayed individually in numeric or alphabetic order; and
 - (e) The physical location of key control boxes may be determined by each licensee. The location shall not permit an individual to gain access to a restricted area that he/she would otherwise not be allowed to enter. If key boxes are located in areas where unauthorized individuals have access, that person may only have custody of the key and open the key box in the presence of the key custodian; or while under camera coverage.

230-15-164 Electronic key control systems.

House-banked card game licensees may use electronic key control systems if we review and approve them in writing.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.**Electronic key control systems.**

(5) Licensees may utilize electronic key control systems, if reviewed and approved in writing by the director or the director's designee.

What we changed: We have rewritten this rule to include combinations to combination lock boxes.

Why: We are attempting to address the several different types of lockboxes licensees have available to them.

230-15-165 Keeping individual key control boxes for departments.

(1) House-banked card game licensees must keep individual key control boxes for at least these departments:

- (a) Gambling operations; and
- (b) Accounting; and
- (c) Security; and
- (d) Surveillance.

(2) Licensees must:

- (a) Document in their approved written internal controls how they will keep the keys or combinations to each key control box secure; and
- (b) Limit access to key control boxes to the licensed card room employee(s) responsible for the overall supervision or management of the department for which the box is kept. The employee(s) must keep this key or combination in their possession while gambling is being conducted; and
- (c) Keep any duplicate keys to the key control boxes in the master key control box.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.**Access.**

(2) Individual key control boxes shall be maintained by at least four departments including gaming operations, accounting, security, and surveillance. Access to key control boxes shall be limited to the licensed card room employee(s) responsible for overall supervision or management of the operation for which the box is maintained.

Keys to key control box.

(4) Keys to secure the contents of each key control box required above shall be strictly controlled as follows.

(a) There shall be one key for each key control box which shall be controlled by the manager of the department for which the key control box is designated. This key shall be distributed to the manager or supervisor in charge and maintained in their possession when gaming is being conducted.

(b) Keys to each key control box will be maintained in a secure manner as approved by commission staff and documented in the licensee's written internal controls.

"Owners" now in 230-15-172 (c) All spare or duplicate keys to the key control boxes identified above will be maintained in the master key control box and be controlled by the owner(s).

230-15-167 Keeping a key control log.

House-banked card game licensees must keep a key control log in the format we require to record the use and return of keys used to control access to restricted areas.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking. Control log.

(3) Each licensee shall maintain for each key control box, a key control log used to record the issuance of and return of all keys used to control the restricted access areas by card room employees identified. The key control log shall be maintained in the format prescribed by the commission.

230-15-168 Keys for the gambling operations department.

In the gambling operations department, the key control box must include, at least, the key(s) to:

- (1) Each pit podium; and
- (2) Drawers and other locking cabinets located in each pit podium; and
- (3) Remove the cover from the chip trays. Personnel from the cashier's cage and the security department must not have access to these keys; and
- (4) The second lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gambling tables; and
- (5) All jackpot payout boxes included with authorized card games; and
- (6) All electrical control boxes used to maintain authorized card games; and
- (7) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games. Keys to locked containers.

(3) The keys to table inventory containers shall be maintained and controlled by the gaming operation department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such table inventories to or from the gaming tables.

WAC 230-40-895 Key control -- House-banking.

Keys shall be controlled in the following manner:

Gaming operations department.

(2)(a) Keys included in the key control box maintained by the gaming operations department shall include:

- (i) Key to each pit podium;
- (ii) Key(s) to drawers and other locking cabinets located in each pit podium;
- (iii) Key to remove the clear plastic cover from the container used to store gaming chips and secured to the gaming tables;
- (iv) Key to the second lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables;
- (v) Key to all upper tier and lower tier jackpot payout boxes included with authorized card games;
- (vi) Key to all electrical control boxes used to maintain authorized card games; and
- (vii) Other keys included in the licensee's internal controls and approved by commission staff.

What we changed: We have rewritten this rule to include the word "defacement."

Why: Not all card decks are destroyed. Some are defaced and sold or given away.

230-15-169 Keys for the security department.

In the security department, the key control box must include key(s) to:

- (1) The lock to the count room door; and
- (2) Unlock and reset the drop boxes; and
- (3) The first lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes; and
- (4) The storage cabinet(s) or other secure facility used to store the card inventory including decks not yet placed in play and decks removed from play and waiting for defacement or destruction; and
- (5) The main entry or access door of the card room; and
- (6) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.

Security department.

(2)(b) Keys included in the key control box maintained by security shall include:

- (i) Key to the lock used to secure the count room door;
- (ii) Key utilized to unlock and reset the drop boxes from the gaming tables;
- (iii) Key to the first lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables to the count room;
- (iv) Key to the storage cabinet(s) or other secure facility used to store the card inventory including decks which have not been placed into play and decks removed from play and waiting to be destroyed;
- (v) Key to main entry or access door of the card room; and
- (vi) Other keys included in the licensee's internal controls and approved by commission staff.

230-15-170 Keys for the accounting department.

In the accounting department, the key control box must include the key(s) to:

- (1) The lock securing the contents of the drop boxes; and
- (2) The rear of the locked dispenser used to store the triplicate of the fill/credit slips in a continuous, unbroken form; and
- (3) The door to the cashier's cage; and
- (4) Reset the lock to the drop boxes; and
- (5) Other areas included in the approved internal controls; and
- (6) The cashier's cage, including keys to:
 - (a) Each cashier's window drawer; and
 - (b) The chip drawer or fill bank; and
 - (c) The vault or safe; and
 - (d) The door to the cashier's cage; and
 - (e) The front of the locked dispenser used to store the triplicate of the fill/credit slips in continuous, unbroken form; and
 - (f) The dealer tip boxes; and
 - (g) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.

Accounting department.

(2)(c) Keys included in the key control box maintained by the accounting department shall include:

- (i) Key to the lock securing the contents of the drop boxes;
- (ii) Key to the rear of the locked dispenser used to store the triplicate of the fill/credit slips in a continuous, unbroken form;
- (iii) Key to the door to the cashier's cage;
- (iv) Key to reset the lock to the drop boxes;

- (v) Keys included in the licensee's internal controls and approved by commission staff;
- (vi) Keys maintained by the cashier's cage including:
 - (A) Key(s) to each cashier's window drawer;
 - (B) Key to the chip drawer or fill bank;
 - (C) Key to the vault or safe;
 - (D) Key to the door to the cashier's cage;
 - (E) Key to the front of the locked dispenser used to store the triplicate of the fill/credit slips in continuous, unbroken form;
 - (F) Other keys included in the licensee's internal controls and approved by commission staff; and
 - (G) Key(s) to the dealer tip boxes.

230-15-171 Keys for the surveillance department.

In the surveillance department, the key control box must include keys to:

- (1) The surveillance room; and
- (2) The storage cabinet(s) or locker(s) used to keep surveillance recordings of evidentiary value or recordings documenting details of jackpot payouts.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.

Surveillance department.

- (2)(d) Keys included in the key control box maintained by surveillance shall include:
 - (i) Key to the room used for clandestine surveillance; and
 - (ii) Key to the storage cabinet(s) or locker(s) used to maintain surveillance recordings of evidentiary value or recordings documenting details of jackpot payouts.

What we changed: We have rewritten this rule using the phrase "employee with overall authority" to the requirement regarding access to the master key control box. We have also changed "must" to "may."

Why: The first change is made to increase consistency in our terms and the second change resolves a conflict between sections (2)(e) and (4)(c) in the old rule.

230-15-172 Keeping a master key control box.

(1) House-banked card game licensees may keep a master key control box with access strictly limited to the owner(s) or employee(s) responsible for exercising the overall management or authority over all the operations of the card room.

(2) Keys in this key control box must include:

- (a) Any spare or extra keys for the departments and restricted areas; and

- (b) Other keys included in the house-banked card game licensee's approve internal controls.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.

Owner/CEO master key box.

(2)(e) A master key control box may be maintained with access strictly limited to the owner(s) or chief operating officer responsible for exercising the overall management or authority over all the operations of the card room and may include:

- (i) All spare or extra keys for the areas noted above.
- (ii) Other keys included in the licensee's internal controls and approved by commission staff.

230-15-173 Emergency key for key control box.

For emergency situations, house-banked card game licensees may keep an additional key control box with a key which can be accessed on a limited basis for the safety of employees. We must pre-approve any emergency key control boxes.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-895 Key control -- House-banking.

Extra key control box - emergencies only.

(6) For emergency situations, licensees may maintain an additional key control box which can be accessed on a limited basis to protect the safety of employees. The key control boxes which meet this requirement shall be preapproved by commission staff.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-895, filed 4/16/03, effective 7/1/03; 01-13-091 (Order 403), § 230-40-895, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-895, filed 4/14/00, effective 5/15/00.]

Progressive Jackpot Prizes

230-15-174 Operating progressive jackpot prizes for house-banked card games.

- (1) Licensees may operate progressive jackpot prizes with approved house-banked card games. To participate in a progressive jackpot, a player places a separate wager, part of which accrues to the progressively increasing prize.
- (2) Manufacturer's game rules determine the winning patterns or combinations of cards.
- (3) Licensees may offer a primary and a secondary, or reserve, jackpot prize.
- (4) Licensees must adequately disclose to players the prizes available and how they are won.
- (5) Licensees must ensure that they closely control progressive jackpot games and account for all the funds collected.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.

Licensees are authorized to operate progressive jackpot prizes in conjunction with approved house-banked card games. Entry into a progressive jackpot is based upon a separate wager by a player, part of which accrues to a progressively increasing prize. A player wins the jackpot prize, or portion thereof, based upon achieving a predetermined pattern or combination of cards. Each licensee operating such games shall ensure they are closely controlled, all the funds collected are accounted for, and prizes and methods of winning are adequately disclosed to players.

230-15-175 Restrictions on house-banked progressive jackpots.

House-banked card game licensees operating progressive jackpots must adhere to these restrictions and procedures:

- (1) Progressive jackpot funds must accrue according to the rules of the game; and
- (2) At each gambling table, licensees must prominently post the amount of the progressive jackpot that players can win; and
- (3) Licensees must record the beginning amount of each progressive jackpot offered, including explanations for any increases or decreases in the prize amount offered. Licensees must keep this documentation with the progressive jackpot records; and
- (4) Licensees may establish a maximum limit on a progressive jackpot prize. If licensees establish a limit, they must make the amount equal to, or greater than, the amount of the jackpot when they imposed the limit. They must prominently post a notice of the limit at or near the game.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.
Restrictions.**

The following procedures and restrictions apply to progressive jackpots:

(1) House-banked progressive jackpot restrictions:

- Moved to 174** (a) The amount of funds accrued to the primary and reserve or secondary jackpots shall increase by a predetermined amount of each wager made, in accordance with the rules of the game;
- (b) The amount of the progressive jackpot eligible to be awarded as a prize shall be prominently displayed at each gambling table;
- (c) The beginning amount of each progressive jackpot offered must be recorded, including explanations for any increase or decrease in the amount of the prize offered. This documentation shall be maintained with the progressive jackpot records; and
- (d) A licensee may establish a maximum limitation on a progressive jackpot prize. If such a limit is established:
- (i) The amount must be equal to or greater than the amount of the jackpot when the limit is imposed; and
 - (ii) A notice of the limit must be conspicuously posted at or near the game;

230-15-176a Paying out progressive jackpot prizes.

- (1) Licensees must immediately pay out prizes of five thousand dollars or less.
- (2) For prizes over five thousand dollars, house-banked card game licensees must payout immediately a minimum of five thousand dollars and pay, by check, the remaining balance within twenty-four hours.
- (3) If the player requests it, house-banked card game licensees must issue a check for the entire prize balance within twenty-four hours.

230-15-176 Adjusting progressive jackpot amounts.

House-banked card game licensees must not reduce the amount of a progressive jackpot prize accrued and displayed, except for the following authorized reasons:

- (1) To reduce the jackpot and the advertised amount by the amount won; or
- (2) To correct an amount displayed incorrectly because of malfunctioning equipment; or
- (3) To correct the display when the amount displayed is greater than the predetermined maximum prize limit; or
- (4) To reduce a reserve or secondary jackpot as long as they record the funds removed as gross receipts and properly documented that in their records.
- (5) To reduce a reserve or secondary jackpot to recover seed money that was not taken from gross receipts, as long as they properly document those funds in their records.

- (6) Licensees may reduce the jackpot by the dollar amount they paid for merchandise they award as prizes.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.

Adjusting jackpot amounts and prize payouts.

(2) A licensee shall not reduce the amount of a progressive jackpot prize, that has been accrued and displayed to players except as authorized by this section.

The following adjustments are allowed to accrued progressive jackpot prizes:

- (a) Jackpot prizes of five thousand dollars or less shall be paid out immediately. For prizes over five thousand dollars, a minimum of five thousand dollars must be paid immediately and the remaining balance paid, by check, within twenty-four hours: Provided, That a check shall be issued for the entire prize balance within twenty-four hours, at the player's request. The jackpot and advertised amount shall be reduced only by the amount won;
- (b) An adjustment may be made to correct malfunctioning equipment or to prevent the display of an amount greater than a predetermined maximum prize limit; or
- (c) A reserve or secondary jackpot may be reduced as long as the funds removed are recorded as gross receipts and are properly documented in the records. A reserve or secondary jackpot may also be reduced to recover seed money that was not taken from gross receipts, provided that those funds are properly documented in the records;

230-15-176a Merchandise prizes for progressive jackpots.

House-banked card game licensees offering merchandise prizes for progressive jackpots must:

- (1) Own the merchandise prizes and pay for them in full, without lien or interest of others, before they award the merchandise as prizes. If the winner has an option to receive a cash prize instead of the merchandise, licensees may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option; and
- (2) Disclose that they used a specific portion of the jackpot funds to buy merchandise to be awarded as prizes, as well as the specific prizes to be awarded; and
- (3) Disclose the value of the merchandise they plan to award. This value must be accurate and verifiable; and
- (4) Award the merchandise on the specific outcome of a game and include the outcome in the game rules; and
- (5) Keep detailed records, including the purchase invoice, on premises and make them available for our review.

WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.

Awarding merchandise prizes with jackpot funds.

(3) (c) Licensees may reduce the jackpot only by the dollar amount paid for the merchandise to be awarded as prizes under the following conditions:

- (i) The licensee discloses to the public that a specific portion of these jackpot funds were used to purchase merchandise to be awarded as prizes, as well as the specific prize to be awarded;
- (ii) The merchandise is awarded as a prize on the specific outcome of a game and is included in the game rules;
- (iii) The merchandise prizes shall be owned by the licensee and paid for in full, without lien or interest of others, prior to the prize being awarded: Provided, That when the winner has an option to receive a cash prize in lieu of such merchandise, a licensee may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option;
- (iv) The licensee must disclose the value of the merchandise to be awarded. This value must be true and verifiable; and
- (v) Detailed records, including purchase invoice, are maintained on premises and available for review by commission staff;

230-15-177 Temporarily removing a progressive jackpot from play.

House-banked card game licensees may temporarily remove a progressive jackpot game from play if:

- (1) We approve the removal and reasons in writing; and
- (2) Circumstances beyond the licensee's control or other good cause lead to the disruption, for example, remodeling the card room; and
- (3) The house-banked card game licensee notifies players of the disruption and the estimated date when the jackpot will continue.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.**Temporarily removing a jackpot from play.**

(4) A licensee may temporarily remove a progressive jackpot game from play subject to the following conditions:

- (a) The removal and reasons must be approved in writing by commission staff; and
- (b) The disruption is caused by circumstances beyond the control of the licensee, or for other good cause (for example: Remodeling the card room); and
- (c) Players are notified of the disruption and the estimated date of continuance.

[Statutory Authority: RCW 9.46.070. 03-20-009 (Order 424), § 230-40-805, filed 9/18/03, effective 1/1/04; 01-13-091 (Order 403), § 230-40-805, filed 6/19/01,

effective 7/20/01; 00-09-052 (Order 383), § 230-40-805, filed 4/14/00, effective 5/15/00.]

Can we change 2(a) to say "manner" instead of "tournament"? No, because "manner" still has to be approved and is too broad a term for clear definition. We'd also like to know why tournaments are not being approved.

Can we say progressive jackpot money belongs to the house, and, therefore, they can do what they want with it. Report it as gross and call it good to go. No, because players have vested interest in the money since it accrues from their wagers and once it has been displayed there is an expectation that the funds may be won.

What we changed: We merged the concepts of removal and discontinuance in the original rule. We also added in an existing rule interpretation about whether fees or buy-ins could be charged when using a tournament to disburse funds.

Why: The original rule used both "discontinuance" and "removal" which was redundant. We made this clearer by using the term "removal" throughout. The rule interpretation states that the disbursement by tournament is not intended to be a money-making proposition for the licensee; therefore, the tournament must be free of charge.

230-15-178 Removing a progressive jackpot or a portion of a progressive jackpot from play permanently.

(1) We consider house-banked progressive jackpot prizes which house-banked card game licensees have advertised or posted as funds in which players have a vested interest. Licensees must submit in writing a detailed distribution plan to us and receive written approval before removing any progressive jackpot prizes from play.

(2) Licensees must distribute the funds in one or more of the following ways:

- (a) Offering the prize on a different house-banked game that has a progressive jackpot; or
- (b) Offering the prize in an approved free tournament in which funds must be distributed within sixty days from the date of approval; or
- (c) Donating the money to the Washington State Council on Problem Gambling.

(3) Licensees must prominently post a notice and the distribution plan, including closure of the business, at least ten days before they begin the process to remove the jackpot and make the distribution.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.

Removing all or portion of a jackpot from play.

(3) House-banked progressive jackpot prizes, which are advertised or displayed in any manner are deemed to be funds for which players have a vested interest and may only be removed from play under the following conditions:

Disbursement.

(a) The director or the director's designee provides the licensee written approval of a plan to disburse all jackpot funds back to the players. The request for approval shall include full details of the distribution plan and shall be conspicuously posted at least ten days prior to distribution. Licensees shall disburse the funds utilizing one or more of the following methods:

- (i) By offering the prize on a different house-banked game;
- (ii) Offering the prize through means of an approved tournament. All funds must be distributed within sixty days from the date of approval by commission staff; or
- (iii) Donating the money to the Washington state council on problem gambling; and

Discontinued jackpot-player notification.

(b) The licensee must notify players of any planned discontinuance, including closure of the business, by conspicuously posting notice for a period of ten days prior to beginning the discontinuance process;

Awarding merchandise prizes with jackpot funds.

(c) Licensees may reduce the jackpot only by the dollar amount paid for the merchandise to be awarded as prizes under the following conditions:

- (i) The licensee discloses to the public that a specific portion of these jackpot funds were used to purchase merchandise to be awarded as prizes, as well as the specific prize to be awarded;
 - (ii) The merchandise is awarded as a prize on the specific outcome of a game and is included in the game rules;
 - (iii) The merchandise prizes shall be owned by the licensee and paid for in full, without lien or interest of others, prior to the prize being awarded: Provided, That when the winner has an option to receive a cash prize in lieu of such merchandise, a licensee may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option;
 - (iv) The licensee must disclose the value of the merchandise to be awarded. This value must be true and verifiable; and
 - (v) Detailed records, including purchase invoice, are maintained on premises and available for review by commission staff;
-

What we changed: We added a rule regarding what licensees must do if tax authorities seize any portion of the progressive jackpot.

Why: We have an existing rule interpretation about tax authorities seizing progressive jackpots. Tax authorities may seize monies if back taxes are owed. We then require the licensee to stop operating the jackpot until the licensee has returned the prize money to the progressive jackpot account.

230-15-178a Tax authorities seizing all, or a portion, of a progressive jackpot.

If a taxing authority seizes jackpot funds, the house-banked card game licensee must immediately cease operating the progressive jackpot game and collecting funds for the progressive jackpot until the amount that was posted as the prize has been replaced in the bank account. Licensees may either replace reserve or secondary funds that were seized or record the funds as gross receipts.

[Statutory Authority: RCW 9.46.070.]

Rule summary=added definition of reconcile

230-15-179a Deposit and reconciliation requirements for progressive jackpot prizes.

(1) For all displayed and reserve jackpots, house-banked card game licensees must deposit all progressive jackpot funds in a separate bank account at least weekly.

(2) Licensees must:

- (a) Keep a record of all deposits; and
- (b) For each progressive prize, identify the deposits by game name and number and dates of collection; and
- (c) Maintain validated deposit slip as part of their records.

(3) At the end of the month, licensees must:

- (a) Reconcile the account balance with the bank statement to the progressive jackpot fund balances. To reconcile, the licensee must compare the account balance on the bank statement to the progressive prize balances in their records and the licensee must resolve differences and document those differences; and
- (b) Keep the reconciliation as part of their records.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-808 Deposit requirements for prizes -- House-banking. Deposit requirements.

(2) Amounts accrued for any house-banked game which offers a progressive jackpot shall be deposited into the jackpot prize account at least weekly for all disclosed and reserve jackpot funds.

Recording deposits.

(5) A record of all deposits shall specifically identify by game name and number, and dates of collection for progressive prizes. The validated deposit slip shall be kept as part of the records required by WAC 230-40-052.

Monthly reconciliation.

(6) At the end of each month, the account balance per the bank statement shall be reconciled to the jackpot prize balances. The reconciliation shall be kept as part of the records required by WAC 230-40-052.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), amended and recodified as § 230-40-808, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-12-073, filed 4/14/00, effective 5/15/00.]

Records and Record Keeping for House-Banked Card Games

230-15-181 Keeping all house-banked card game records.

House-banked card game licensees must keep and maintain all house-banked card game records in the format we require.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-821 General accounting records -- House-banking.

Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff. Such records shall include all details of activities related to the conduct of the licensed activity.

230-15-182 Keeping an accounting system.

(1) House-banked card game licensees must keep and maintain a complete set of accounting records, which we have approved before licensing. These records must include all receipts and disbursements of the licensee, including, at least, those related to gambling activities.

Revenue, costs, and expenses.

(2) Licensees must keep legible, accurate, and complete records of all transactions relating to the revenues, costs and expenses of the gambling operation. Licensees must keep these records in a format that ensures consistency, comparability, and effective disclosure of financial information.

Accounting system.

(3) Licensees must keep an accounting system on a double entry method of accounting with transactions recorded on an accrual basis and in conformity with generally accepted accounting principles (GAAP).

Recordkeeping.

(4) Licensees must keep detailed, supporting, and subsidiary records including, at least:

- (a) Records of all players' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible"; and
- (b) Records of investments in property, including, at least, equipment used directly in connection with the gambling operation; and
- (c) Records of amounts payable by the gambling operation; and
- (d) Records which identify the purchase, receipt, and destruction of all cards and gambling chips used in wagering; and
- (e) Records of services provided for the operation of gambling activities, for example, service provided by gambling service suppliers; and
- (f) Statistical game records that reflect drop and win amounts for each table, for each game. These records must cover at least each period for which

the drop boxes are removed, or at the minimum, the period of each gambling day.

Copies.

- (5) Licensees must color code any form, record, or document that requires duplicate or triplicate copies.
- (6) If forms, records, and documents are required to be inserted into a locked dispenser, the last copy must remain in a continuous unbroken form in the dispenser.
- (7) If licensees are required to account for forms or their series numbers or are required to compare copies of forms for agreement, they must report discrepancies immediately to us for investigation.

Storing documents.

- (8) All forms, records, documents, and stored data required to be kept and controlled must have the title printed on the item, such as "fill slip," "request for fill slip," "credit slip," "request for credit slip," or "reconciliation."
- (9) Licensees must keep all records for a period of not less than three years. At least the last six months of gambling records must be available for inspection on the business premises.

Employee records.

- (10) Licensees must keep a records system on the business premises that ensures all applicable employees have met licensing requirements. The records must include:
 - (a) Employees' names; and
 - (b) Gambling license numbers; and
 - (c) Gambling license expiration dates; and
 - (d) Photocopies of all current employees' licenses.

Records of employees who have not yet received a license.

- (11) Licensees must keep copies of the applications of all employees who have applied for, but have not yet been issued, a license. The records must include:
 - (a) Temporary employment authorization; and
 - (b) Documentation that the employee has made the required license or transfer fee payment; and
 - (c) Proof that the employee has followed the ten-day waiting period, if applicable.

Notification - new license not received.

- (12) Licensees must notify us if a card room employee has not received a license within sixty days of employment.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-821 General accounting records -- House-banking.

Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff. Such records shall include all details of activities related to the conduct of the licensed activity.

The following requirements shall apply:

Revenue and expenses.

(1) Each licensee shall maintain legible, accurate and complete records of all transactions relating to the revenues and costs of the gaming operation. These records shall be maintained in a format to ensure consistency, comparability, and effective disclosure of financial information.

General accounting records.

(2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on an accrual basis, to include detailed, supporting, subsidiary records, sufficient to meet the requirements below.

Recordkeeping.

(3) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:

- (a) Records of all patrons' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible";
- (b) Statistical game records to reflect drop and win amounts for each table, for each game, and for at least each period for which the drop boxes are removed, which shall be at the minimum, the end of each gaming day;
- (c) Records of investments in property, including, but not limited to, equipment used directly in connection with the gaming operation;
- (d) Records of amounts payable by the gaming operation;
- (e) Records which identify the purchase, receipt, and destruction of all cards and gaming chips used in wagering; and
- (f) Records of services provided for the operation of gaming activities.

Recordkeeping.

Copies.

(4) Whenever duplicate or triplicate copies are required of a form, record or document:

- (a) The original, duplicate, and triplicate copies shall be color-coded;
- (b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and
- (c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately to the commission for investigation.

Recordkeeping.

Storing documents.

(5) All forms, records, documents and stored data required to be prepared, maintained and controlled shall:

- (a) Have the title of the form, record, document, or stored data (such as "fill slip," "request for fill," "credit slip," "request for credit," "reconciliation," etc.), imprinted or preprinted thereon or therein; and
- (b) All records shall be maintained for a period of not less than three years. At least the past six months of records must be available for inspection on premises.

Employee records.

(6) Licensees shall maintain a records system that ensures all applicable employees have met licensing requirements. The system shall be maintained on the premises and include the following:

- (a) Employee names;
- (b) Gambling license numbers;
- (c) Gambling license expiration dates; and
- (d) Photocopies of all current employees' licenses.

Recordkeeping.**Record of employees who have not yet received a license.**

(7) If an employee license has not yet been issued, the licensee shall maintain a copy of the following:

- (a) Temporary employment authorization;
- (b) Documentation that the required payment (license or transfer fee) has been made; and
- (c) Proof that the employee has adhered to the ten-day waiting period, if applicable.

Notification - new license not received.

(8) The licensed card room operator shall ensure commission staff is notified if an employee license has not been received within sixty days of employment.

[Statutory Authority: RCW 9.46.070.]

What we changed: We have rewritten this rule to include the rule changes suggested by RAT.

Why: The changes were passed by the commission during the August meeting.

230-15-183 Preparing required financial statements.

House-banked card game licensees must prepare financial statements covering all financial activities of the licensees' business premises for each business year. Licensees must meet the following definitions and requirements:

Definitions

(1) The following definitions apply to all subsections of this rule:

- (a) "Financial statements" means documents, including, at least: balance sheet, statement of income, statement of retained earnings or changes in equity, statement of cash flows, and all required notes or disclosures. All financial statements must be in accordance with United States generally accepted accounting principles (GAAP).
- (b) "Card room gross receipts" means documents that must include receipts from all house-banked and nonhouse-banked card games offered by the house banked card room.
- (c) "Independent" means there is no relationship that may influence a certified public accountant's impartiality and objectivity in rendering services.

Prepared financial statements by independent, certified public accounting firm – gross receipts of over three million dollars.

(2) Licensees with house-banked card game gross receipts of more than three million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to audit the licensee's financial statements according with GAAP.

Reviewed financial statements - gross receipts of one to three million dollars.

(3) Licensees with house-banked card room gross receipts of one to three million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to review the house-banked card game licensee's financial statements according with the statements on standards for accounting and review services or audit the house-banked card game licensee's financial statements according to GAAP.

Compiled financial statements - gross receipts of less than one million dollars.

(4) Licensees with house-banked card room gross receipts of less than one million dollars for the business year must hire an independent, certified public accounting form licensed by the Washington state board of accountancy to compile the house-banked card game licensee's financial statements according with the statements on standards for accounting and review services and GAAP. This compilation must include all required notes or disclosures on an accrual basis of accounting.

Financial statement presentation.

(5) Licensees must present financial statements on a comparative basis. For the first year of operation only, licensees do not have to submit comparative financial statements. Licensees must report gross revenues from each licensed activity separate and apart from all other revenues.

Consolidated financial statements.

(6) Commonly owned or operated business premises may present consolidated financial statements. Licensees must include consolidated schedules presenting separate financial statement for each licensed card room location.

Change in business year.

(7) Licensees must notify us in writing within thirty days if they change their business year. Licensees must submit financial statements for the period covering the previous business year to the end of the new business year.

(8) Licensees must submit a copy of the report and the financial statements to us within one hundred twenty days following the end of their business year. We may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-823 Financial audits and reviews required -- House-banking.

Each licensee operating house-banked card games shall prepare financial statements covering all financial activities of the licensee's establishment for each business year. The following requirements shall apply:

(1) Each licensee with house-banked card game gross receipts in excess of three million dollars for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall audit the licensee's financial statements in accordance with generally accepted auditing standards.

Reviewed financial statements - gross receipts of one to three million dollars.

(2) Each licensee with house-banked card game gross receipts of one to three million dollars for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall review the financial statements in accordance with the statements on standards for accounting and review services or audit the financial statements in accordance with generally accepted auditing standards.

Compiled financial statements - gross receipts of less than one million dollars.

(3) Each licensee with house-banked card game gross receipts of less than one million dollars for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall compile the financial statements in accordance with the statements on standards for accounting and review services in accordance with generally accepted accounting principles, including all required footnotes or disclosures on an accrual basis of accounting.

Financial statement presentation.

- (4) The financial statements must be presented in the following manner:
- (a) Financial statements shall be submitted on a comparative basis: Provided, That the first year may be submitted for the current business year only; and
 - (b) Gross revenues from each licensed activity should be reported by activity and separate and apart from all other revenues.

Consolidated financial statements.

(5) Consolidated financial statements may be filed by commonly owned or operated establishments. These statements must include consolidated schedules presenting separate financial statements for each licensed card room location.

Change in business year.

(6) If a licensee changes its business year, they shall notify the director within thirty days. The licensee shall submit financial statements for the period covering the end of the previous business year to the end of the new business year.

(7) A copy of the report and the financial statements shall be submitted to the director within one hundred twenty days following the end of the licensee's business year. The director may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

~~(8) This rule will be effective for business years ending on or after July 1, 2004.~~

230-15-185 Signature cards.

House-banked card game licensees must keep signature cards, in the format we require, of the authorized signature for each employee who signs or initials forms, records, and documents, including at least all employees whom the licensee authorizes to approve transfers of cash, coin, or chips.

- (1) The signature card must be completed in the format we require. The card must be prepared in the presence of a member of the accounting department, who must review a picture identification card and verify the signer's identity.
- (2) Licensees must keep completed cards in a signature card file, sorted by department and listed alphabetically by name. Licensees must review and adjust the signature records as needed to reflect changes of personnel. Licensees must retain the signature records for a period of at least one year after employment terminates.
- (3) Licensees must securely store signature cards in the accounting department. The cashier's cage must keep a copy of each signature card and cage personnel must use it to verify signatures.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-890 Signatures -- Requirements.

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

- (1) Signatures shall:
 - (a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";
 - (b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and
 - (c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.
- (2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.
- (3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-890, filed 4/14/00, effective 5/15/00.]

230-15-187 Signature requirements for documents, records, and forms.

- (1) Licensees must document each transfer of cash, coins, or chips and verify the transfer with the signature(s) of individual(s) responsible for the records.
- (2) When signing documents, records, and forms, signers indicate that they
 - (a) Have prepared them according to the requirements of the accounting system and internal controls; and/or
 - (b) Attest to the accuracy of the information recorded.
- (3) Signers must sign immediately next to, or above, the clearly printed or preprinted title on all forms, records, and documents.
- (4) Signatures must, at least, be the signer's first initial and last name, for example, "B. Smith," and the signer's employee number.

WAC 230-40-890 Signatures -- Requirements.

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

- (1) Signatures shall:
 - (a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";
 - (b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and
 - (c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.
- (2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.
- (3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-890, filed 4/14/00, effective 5/15/00.]

Additional Rules for Charitable or
Nonprofit Card
Games

Additional Rules for Charitable or Nonprofit Card Rooms..... 2

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Additional Rules for Charitable or Nonprofit Card Rooms

230-15-094 Posting rules for unlicensed card and dice games

Charitable and nonprofit organizations licensed to provide liquor to their members must post house rules for social card and dice games. At a minimum, the house rules must include:

- a) General rules of play; and
- b) Hours of play; and
- c) All fees; and
- d) Portions of the premises to be used for the games; and
- e) The restriction that only their full and regular members may play in the games.

[Statutory Authority: RCW 9.46.0351. RCW 9.46.070.]

WAC 230-40-500 Unlicensed charitable and nonprofit card games -- Authority -- House rules to be developed and posted.

Such organizations shall develop, adopt and post rules of conduct for members participating in the activities. At a minimum, these house rules shall include:

- (1) General rules of play;
- (2) Which portions of premises will be used for card games;
- (3) Hours of play allowed; and
- (4) The organization's restriction that only members are authorized to participate in card games.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-500, filed 6/19/01, effective 7/20/01; Order 78, § 230-40-500, filed 11/17/77.]

<p>What we changed: We removed the reference to guest cards from the Liquor Control Board. We also removed the reference to social dice games</p> <p>Why: The Liquor Control Board no longer issues guest cards. We have no statutory authority to approve social dice games.</p>

230-15-095 Allowing guests to play social card games.

If a charitable or nonprofit organization has a social card game license, the organization may permit guests accompanied by full and regular members to play, as long as the guests are only twenty-five percent or fewer of the persons playing at any one time.

[Statutory Authority: RCW 9.46.0311; RCW 9.46.070.]

WAC 230-40-331 Bona fide nonprofit or charitable organizations -- Members only to play social card and dice games -- Exception.

No bona fide charitable or nonprofit organization shall permit any person other than its members and members of a chapter or unit organized under the same state, regional, or national charter or constitution to play social card games or

social dice games on its premises: Provided, That such organizations, when licensed to allow a social card room on its premises may permit no more than twenty-five percent of the persons playing in the licensed card room at any one time to be guests of members. [Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19).]

WAC 230-02-430 Guest.

The term guest shall include only those persons not a member of a bona fide charitable or nonprofit organization, who are allowed to use the facilities of the organization to play card games, only when accompanied by the regular member of the organization sponsoring the guest and for a fee not to exceed the maximum fee for the playing of cards as set by the commission: Provided, That persons holding a valid "guest" card in accordance with Washington state liquor control board regulation 106 (WAC 314-04-040), need not be accompanied by a member.

If a person is charged, directly or indirectly, more than the maximum fee set by the commission to enter the facility and play cards, he is not a guest for the purpose of these rules.

[Order 23, § 230-02-430, filed 9/23/74.]

What we changed: We removed this rule.

Why: The information in the rule is in the statute at 9.46.0351.

**WAC 230-40-500 Unlicensed charitable and nonprofit card games --
Authority -- House rules to be developed and posted.**

Bona fide charitable or nonprofit organizations licensed to provide liquor to their members under RCW 66.24.400 shall allow only members to use its premises, furnishings and other facilities to participate in unlicensed social card games and social dice games, as authorized by RCW 9.46.0351.

230-15-100 Fees for decks of cards.

(1) Charitable or nonprofit licensees may charge a fee to a player asking for an additional deck of cards beyond those already provided.

(2) In addition, Class D licensees may charge a fee for every deck supplied to a table.

(3) The fee must not be greater than the charitable or nonprofit licensee's actual cost for the deck.

(4) At the time charitable or nonprofit licensees introduce new decks, they must collect the fee in cash directly from the player requesting the deck or the players of the game.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-050 Fees for nonhouse-banked card games -- Assessment and collection -- Maximum fees.**New decks of cards - fees.**

(6) A person requesting a new deck of cards beyond those regularly furnished by the licensee may be charged a fee not to exceed the actual cost to the licensee for the deck. Class D licensees may charge a fee not to exceed actual cost to the licensee per deck for each deck of playing cards furnished to a table as required by these rules, or as requested by any player at the table. The fee shall be collected in cash directly from the players, or the player requesting the deck, at the time the deck is introduced into the game;

What we changed: We removed this rule.

Why: The information in the rule is required in the house rules and, therefore, does not need a separate WAC.

WAC 230-40-050 Fees for nonhouse-banked card games -- Assessment and collection -- Maximum fees.**Fee schedule.**

(5) A schedule setting forth all fees to participate in card games shall be posted in plain view where it can be seen by the players in the card games;

230-15-103 Rotating the deal.

(1) If the charitable or nonprofit licensee does not provide a dealer, the deal must pass from player to player.

(2) A player may not deal another game until all of the players at the table have had their turn to deal, though players may voluntarily waive their right to deal any particular game.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-200 Players to compete on equal terms -- Deal to rotate among players.

The deal in any series of nonhouse-banked card games shall be passed from player to player, unless the table incorporates a house dealer as per house rule. No player who deals a game shall deal another game until each other player at the table has dealt a game in his turn: Provided, That any player may voluntarily waive his right to deal any particular game.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-200, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-40-200, filed 11/22/95, effective 1/1/96. Order 40, § 230-40-200, filed 6/26/75; Order 23, § 230-40-200, filed 9/23/74.]

Surveillance Requirements

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General Surveillance Requirements

230-15-070 Analog video recording equipment requirements.

Class F and house-banked card game licensees using analog video recording equipment with video cassette recorders must:

- (1) Record images at a rate of at least twenty frames per second on standard VHS format; and
- (2) Reflect accurately the time and date of the video recording. Licensees using multiple time and date generators must synchronize them to the same time and date.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-625 Closed circuit television system--Class F card rooms. Camera requirements.

Video recording equipment requirements.

- (3) Video recording equipment shall meet the following requirements:
- (a) **Analog recording**, including audio recording where required, using a video cassette recorder, shall comply with the following requirements:
- (i) Images shall be recorded at a rate of not less than twenty frames per second on standard VHS format; and
 - (ii) Recorded images shall accurately reflect the time and date of the video recording. If multiple time and date generators are used, they shall be synchronized to the same time and date; or

WAC 230-40-825 Closed circuit television system – House-banking.

Video recording equipment requirements.

- (3) Video recording equipment shall meet the following requirements:
- (a) **Analog recording**, including audio recording where required, using a video cassette recorder, shall comply with the following requirements:
- (i) Images shall be recorded at a rate of not less than twenty frames per second on standard VHS format; and
 - (ii) Recorded images shall accurately reflect the time and date of the video recording. If multiple time and date generators are used, they shall be synchronized to the same time and date; or

230-15-143 Digital video recording equipment requirements.

(1) Digital recording, including audio recording where required, using a digital recording and storage system, must

- (a) Record all images on a hard drive;
- (b) Lock so that access to the erase and reformat functions and system data files is restricted to persons authorized in the internal controls;

- (c) Provide uninterrupted recording of surveillance, during playback or copying. House-banked card game licensees may use motion-activated recording;
- (d) Be capable of copying original images maintaining the original native format;
- (e) Stored at a rate of not less than twenty-five images per second;
- (f) Record images at a minimum resolution of 320 x 240 and display during playback at a minimum resolution of 640 x 480;
- (g) Store images in a format that is readable by our computer equipment;
- (h) Store images in a format that can be verified and authenticated by us;
- (i) Include the accurate time and date the video was originally recorded on the recorded images;
- (j) Be equipped with an uninterruptible power source to allow a proper system shutdown.

(2) House-banked card game licensees may overwrite previously recorded material after seven continuous gambling days, for example, Monday's gambling day recording may be recorded over on Tuesday of the following week.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-625 Closed circuit television system--Class F card rooms.
Camera requirements.**

(3) (b) **Digital recording**, including audio recording where required, using a ~~hard drive~~ digital storage system, shall comply with the following requirements:

- (i) All images shall be recorded on a hard drive;
- (ii) Recording systems shall be locked ~~by the manufacturer to disable so that access to the erase and reformat functions to prevent access to, and system data files is restricted to persons authorized in the internal controls;~~
- (iii) The system must provide uninterrupted recording of surveillance, ~~this shall include during playback or copying:~~ Provided, That motion-activated recording may be used;
- (iv) Recording systems shall be capable of copying original images maintaining the original native format;
- (v) Images shall be stored at a rate of not less than twenty-five images per second;
- (vi) ~~Resolution shall be~~ Images shall be recorded at a minimum resolution of 320 x 240 and displayed during playback at a minimum resolution of 640 x 480 or higher;
- (vii) Images shall be stored in a format that is readable by commission computer equipment;
- (viii) Images shall be stored in a format that ~~contains a method to verify the authenticity of the original recording and copies~~ can be verified and authenticated by commission staff;
- (ix) Recorded images shall include the accurate time and date the video was originally recorded;
- (x) Previously recorded material may be overwritten after seven continuous days of gaming; and

(xi) Recording systems shall be equipped with an uninterruptible power source to allow a proper system shutdown.

WAC 230-40-825 Closed circuit television system – House-banking.

Video recording equipment requirements.

(b) **Digital recording**, including audio recording where required, using a digital storage system, shall comply with the following requirements:

- (i) All images shall be recorded on a hard drive;
- (ii) Recording systems shall be locked so that access to the erase and reformat functions, and system data files is restricted to persons authorized in the internal controls;
- (iii) The system must provide uninterrupted recording of surveillance, during playback or copying: Provided, That motion-activated recording may be used;
- (iv) Recording systems shall be capable of copying original images maintaining the original native format;
- (v) Images shall be stored at a rate of not less than twenty-five images per second;
- (vi) Images shall be recorded at a minimum resolution of 320 x 240 and displayed during playback at a minimum resolution of 640 x 480;
- (vii) Images shall be stored in a format that is readable by commission computer equipment;
- (viii) Images shall be stored in a format that can be verified and authenticated by commission staff;
- (ix) Recorded images shall include the accurate time and date the video was originally recorded;
- (x) Previously recorded material may be overwritten after seven continuous days of gaming; and
- (xi) Recording systems shall be equipped with an uninterruptible power source to allow a proper system shutdown.

Rule Summary: Correcting an inadvertent rule change that was made in October 2004. Ask Susan for rulemaking file

230-15-072 Using multiplex and quad recording devices.

- (1) Class F and house-banked card game licensees may use multiplexing and quad recording devices on entrances and exits or other nongambling areas.
- (2) Licensees may use quad recording devices to record the movement of drop boxes between tables and the count area.
- (3) "Multiplex recording" means combining multiple video inputs into a single signal by cycling through the separate video inputs with the view rotating among different cameras in a predetermined order, recording each video input sequentially in the cycle. Multiplex recording does not provide continuous recording of each video input because the amount of time lapse in the cycle depends on the number of video inputs.

(4) "Quad recording" means four separate video inputs that record continuously and combine into a single signal displayed on one monitor with a view of each video input.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-625 Closed circuit television system--Class F card rooms.

Camera requirements.

~~Use of~~ Multiplexing and quad recording devices.

~~(4) Multiplexing/ and quad recording devices may only not be used for external required surveillance, movement of drop boxes between tables and the count room, and on entrances and exits:~~

~~Provided, That split screen devices may be utilized for areas not required to have surveillance coverage.~~

~~(a) **Multiplex recording** means combining multiple video inputs into a single signal by quickly cycling through the separate video inputs (i.e., the view rotates among different cameras) in a predetermined order, recording each video input sequentially in the cycle. Multiplex recording does not provide continuous recording of each video input and the amount of time lapse is dependant upon the number of video inputs in the sequence.~~

Camera requirements.

~~(b) **Quad recording** means four separate video inputs which are continuously recorded and combined into a single signal displayed on one monitor with a view of each video input.~~

WAC 230-40-825 Closed circuit television system – House-banking.

Multiplexing and quad recording devices.

(4) Multiplexing and quad recording devices may not be used for required surveillance except under the following circumstances:

(a) Multiplexing or quad recording devices may be used on entrances and exits; and

(b) Quad recording devices may be used to record the movement of drop boxes between tables and the count room.

WAC 230-40-825 Closed circuit television system – House-banking.

Multiplexing and quad recording devices defined.

(c) **Multiplex recording** means combining multiple video inputs into a single signal by quickly cycling through the separate video inputs (i.e., the view rotates among different cameras) in a predetermined order, recording each video input sequentially in the cycle. Multiplex recording does not provide continuous recording of each video input and the amount of time lapse is dependant upon the number of video inputs in the sequence.

WAC 230-40-825 Closed circuit television system – House-banking.

Multiplexing and quad recording devices defined.

(d) **Quad recording** means four separate video inputs are continuously recorded and combined into a single signal displayed on one monitor with a view of each video input.

230-15-074 Reporting illegal or suspicious activities.

(1) Class F and house-banked card game licensees must report illegal or suspicious activities within the monitored portion of their business premises to us within three business days.

(2) Licensees must:

- (a) Make a copy of the entire recorded sequence of the activity; and
- (b) Give the original recording to us or other law enforcement when requested; and
- (c) Keep the copy for at least thirty days.

[Statutory Authority: RCW 9.46.070 and RCW 9.46.153.]

**WAC 230-40-625 Closed circuit television system--Class F card rooms.
Recording of illegal or suspicious activities.**

(5) Illegal or suspicious activities within the monitored portion of the licensed premises shall be reported to commission staff, pursuant to WAC 230-40-815 (3)(a)(v) through (vi). Additionally, licensees shall ensure two copies of the entire recorded image sequence are made reflecting the questioned activity. One copy shall be provided to commission staff or other law enforcement representatives upon demand and the other copy maintained by the licensee for a period of thirty days.

WAC 230-40-825 Closed circuit television system – House-banking.**Recording of illegal or suspicious activities.**

(5) Illegal or suspicious activities within the monitored portion of the licensed premises shall be reported to commission staff, pursuant to WAC 230-40-815 (3)(a)(v) through (vi). Additionally, licensees shall ensure two copies of the entire recorded image sequence are made reflecting the questioned activity. One copy shall be provided to commission staff or other law enforcement representatives upon demand and the other copy maintained by the licensee for a period of thirty days.

230-15-076 Resolving disputes using video recordings.

(1) If there is not sufficient clarity in the video recording to resolve a dispute, we will resolve the dispute in favor of the player unless the Class F or house-banked card game licensee can prove to us that the actions taken were warranted.

(2) Licensees may request a review by commission staff if the licensee feels circumstances warrant, for example, cheating has occurred.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-625 Closed circuit television system--Class F card rooms.
Dispute resolution.**

(10) In the event there is not sufficient clarity due to violations of the above requirements, the burden will be on the licensee to prove any action taken was

warranted. Otherwise, all disputes shall be resolved in favor of the player:
Provided, That a review by commission staff may be requested if the licensee
feels circumstances warrant, for example, cheating has occurred.

WAC 230-40-825 Closed circuit television system – House-banking.

Dispute resolution.

(12) In the event there is not sufficient clarity due to violations of the above
requirements, the burden will be on the licensee to prove any action taken was
warranted. Otherwise, all disputes shall be resolved in favor of the player:
Provided, That a review by commission staff may be requested if the licensee
feels circumstances warrant, for example, cheating has occurred.

Additional Surveillance Requirements for Class F Card Games

230-15-067 Operating Class F and house-banked card games.

If licensees are conducting both Class F and house-banked card games, they must meet the surveillance requirements for house-banked card games in **WAC 230-15-141**.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-625 Closed circuit television system--Class F card rooms.

Critical activities related to the operation of a player-supported jackpot (PSJ) and assessment of fees based on amounts wagered (rake method) shall be closely monitored by the use of a closed circuit television (CCTV) system and recorded using analog and/or digital recording equipment. If a licensee is conducting both Class F and house-banked activities, the licensee shall be required to meet the surveillance requirements set forth in WAC 230-40-825.

230-15-068 Surveillance requirements for Class F card games.

(1) Class F licensees must record critical activities related to the operation of a player-supported jackpot and assessment of fees based on amounts wagered (rake method) using a closed circuit television system. Class F licensees may use either analog or digital recording equipment.

(2) Each Class F licensee must install and maintain a closed circuit television (CCTV) system that must view and record video signals from all required cameras when:

- (a) Operating gambling tables; or
- (b) Storing drop boxes or chip trays on the gambling tables; or
- (c) Transporting drop boxes; or
- (d) Counting drop box contents.

(3) The CCTV must view:

- (a) All gambling at each table including, at least, the
 - (i) Cards; and
 - (ii) Wagers; and
 - (iii) Chip tray; and
 - (iv) Drop box openings; and
 - (v) Table number; and
 - (vi) Players; and
 - (vii) Dealers.
- (b) When the count is being conducted, at least, the:
 - (i) Count table; and
 - (ii) Floor; and
 - (iii) Drop boxes; and
 - (iv) Drop box storage shelves/cabinets.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-625 Closed circuit television system--Class F card rooms.

Each Class F card room licensee shall install and maintain a CCTV system that meets the following requirements:

- (1) The following areas are required to be viewed by the CCTV system:
 - (a) All gaming at each table including, but not limited to, the:
 - (i) Cards;
 - (ii) Wagers;
 - (iii) Chip tray;
 - (iv) Drop box openings; and
 - (v) Players and dealers.
 - (b) All activity in the count room or count area including, but not limited to, the:
 - (i) Count table;
 - (ii) Floor;
 - (iii) Drop boxes; and
 - (iv) Drop box storage shelves/cabinets.

Camera requirements.

Activities to be recorded.

- (6) Video signals from all cameras shall be recorded when:
 - (a) Gaming tables are in operation;
 - (b) Drop boxes or chip trays are stored on the gaming tables;
 - (c) Drop boxes are being transported; or
 - (d) Drop box contents are being counted.

230-15-069 Camera requirements for closed circuit television recording in Class F card games.

- (1) The closed circuit television system must consist of light sensitive cameras able to show card and chip values. Each video camera must be capable of having the images displayed on a video monitor and recorded.
- (2) Licensees must:
 - (a) Install cameras to prevent customers or employees from obstructing, tampering with, or disabling the cameras; and
 - (b) Place pan, tilt, zoom (PTZ) cameras behind a smoked dome, one-way mirror, or similar materials that conceal the camera from view.
- (3) Licensees must have, at least:
 - (a) One fixed camera viewing each gambling table, covering the entire layout; and
 - (b) One fixed camera viewing the dealer area, covering the chip rack, all drop box openings, and the community card area; and
 - (c) A sufficient number of fixed cameras and/or PTZ to monitor players and dealers at each gambling table. The PTZ cameras must be:
 - (i). Permanently programmed; and
 - (ii). Capable of viewing each patron and dealer at each gambling position at least once every five minutes; and

- (d) A sufficient number of fixed cameras and/or PTZ cameras in the count area; and
- (e) Fixed cameras and/or PTZ cameras in any other location we deem necessary.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-625 Closed circuit television system--Class F card rooms.
Camera requirements.**

(2) The CCTV system shall consist of light sensitive cameras that have the ability to determine card and chip values at each gaming table. Each video camera shall be capable of having its images displayed on a video monitor and recorded. Cameras shall be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by patrons or employees. Installed cameras shall cover the areas required by this rule and shall include, at a minimum, the following:

- (a) At least one fixed camera focused over each gaming table covering the entire layout;
- (b) At least one fixed camera focused over the dealer area covering the chip rack, all drop box openings, and the community card area;
- (c) At least one fixed or pan, tilt, and zoom (PTZ) camera permanently programmed for the purposes of monitoring players and dealers at each gaming table. This camera must be capable of viewing each patron and dealer at each gaming position at least once every five minutes;
- (d) A sufficient number of fixed and/or PTZ cameras in the cage only if the count process is conducted there;
- (e) A sufficient number of fixed and/or PTZ cameras in the count area; and
- (f) Any other location as deemed necessary by commission staff.

Took audio out because we could find no rule that said they have to have audio recording.

230-15-075 Retaining video recordings in Class F card games.

(1) Class F licensees must label video recordings to identify the activities recorded.

(2) Licensees must keep:

- (a) All recordings for seven gambling days, for example, Monday's gambling day recording may be recorded over on Tuesday of the following week; and
- (b) Recordings documenting jackpot payouts over five hundred dollars for at least thirty days; and
- (c) Recordings of evidentiary value for as long as we request.

(3) We may increase these retention requirements by notifying licensees.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-625 Closed circuit television system--Class F card rooms.
Camera requirements.**

Labeling and storing video and audio recordings.

(9) Video and audio recordings shall be marked to denote the activity recorded and retained for a period necessary to afford commission staff or law enforcement personnel reasonable access. The following minimum retention periods apply to recordings:

- (a) Recordings shall be retained for a minimum of seven complete gaming days.
- (b) Recordings of evidentiary value shall be maintained as requested by commission staff; and
- (c) Tapes documenting jackpot payouts of five hundred dollars or more shall be retained for at least thirty days; and
- (d) Commission staff may increase any of the retention requirements noted in this section by notifying the licensee.

230-15-077 Employee sign-in log in Class F surveillance games.

If Class F licensees operate a surveillance room, they must keep a surveillance room sign-in log to document when someone enters and leaves the surveillance room. Licensees must make the surveillance sign-in log available to us or law enforcement when requested.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-625 Closed circuit television system--Class F card rooms.**Camera requirements.****Employee sign-in log.**

(8) A surveillance room sign-in log shall be maintained to document the time each surveillance employee monitors the card room. The surveillance sign-in log shall be available for inspection at any time by commission staff or law enforcement personnel.

230-15-078 Keeping a surveillance activities log in Class F card games.

Class F licensees must keep a log of surveillance activities in the format we prescribe.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-625 Closed circuit television system--Class F card rooms.**Camera requirements.****Surveillance activity log.**

(7) The licensee shall maintain a record of all surveillance activities in the surveillance room. A surveillance log shall be maintained by surveillance personnel and shall include, at a minimum, the following:

- (a) Date and time of surveillance;
- (b) Person initiating surveillance;
- (c) Time of termination of surveillance;
- (d) Summary of the results of the surveillance; and

(e) A record of any equipment or camera malfunctions.

Additional Surveillance Requirements for House-banked Card Games

230-15-141 Monitoring and recording critical activities.

(1) Each house-banked card game licensee must install and maintain a closed circuit television (CCTV) system. Licensees may use either analog or digital recording equipment . Licensees must record video signals from all cameras when:

- (a) Operating gambling tables; or
- (b) Storing drop boxes or chip trays on the gambling tables; or
- (c) Transporting drop boxes; or
- (d) Counting drop box contents.

(2) Licensees must closely monitor and record all gambling activities and areas, including, at least:

- (a) Each table, including:
 - (i) Cards; and
 - (ii) Wagers; and
 - (iii) Chip tray; and
 - (iv) Drop box openings; and
 - (v) Table number; and
 - (vi) Card shoe; and
 - (vii) Shuffling devices; and
 - (viii) Players and dealers; and
- (b) The gambling pits; and
- (c) The cashier's cage, including:
 - (i) Outside entrance; and
 - (ii) Fill/credit dispenser; and
 - (iii) Customer transactions; and
 - (iv) Cash and chip drawers; and
 - (v) Vault/safe; and
 - (vi) Storage cabinets; and
 - (vii) Fill or credit transactions; and
 - (viii) Floor; and
- (d) The count room, including:
 - (i) The audio; and
 - (ii) Count table; and
 - (iii) Floor; and
 - (iv) Counting devices; and
 - (v) Trolley; and
 - (vi) Drop boxes; and
 - (vii) Storage shelves/cabinets; and
- (e) Entrance and exits; and
- (f) The movement of cash, gambling chips, and drop boxes; and

(g) Entrances and exits to the card room.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-825 Closed circuit television system – House-banking. Critical activities related to the operation of house-banked card games shall be closely monitored by the use of a closed circuit television (CCTV) system and recorded using analog and/or digital recording equipment. Each house-banked card room licensee shall install and maintain a CCTV system that meets the following requirements.

(1) The following areas are required to be viewed by the CCTV system:

(a) All gaming at each table including, but not limited to, the following:

- (i) Cards;
- (ii) Wagers;
- (iii) Chip tray;
- (iv) Drop box openings;
- (v) Card shoe;
- (vi) Shuffling devices; and
- (vii) Players and dealers.

(b) All activity in the pits.

(c) All activity in the cashier's cage including, but not limited to, the:

- (i) Outside entrance;
- (ii) Fill/credit dispenser;
- (iii) Customer transactions;
- (iv) Cash and chip drawers;
- (v) Vault/safe;
- (vi) Storage cabinets;
- (vii) Fill or credit transactions; and
- (viii) Floor.

(d) All activity in the count room including, but not limited to, the:

- (i) Count table;
- (ii) Floor;
- (iii) Counting devices;
- (iv) Trolley;
- (v) Drop boxes;
- (vi) Storage shelves/cabinets; and
- (vii) Entrance and exits.

(e) The movement of cash, gaming chips, and drop boxes.

(f) Entrances and exits to the card room.

230-15-143 Operating a surveillance room.

(1) House-banked card game licensees must maintain one or more surveillance rooms and:

(a) Control access to the surveillance room; and

- (b) Assign only the employees of the surveillance department to monitor activities. Owners or approved supervisory or management personnel may also monitor activities; and
- (c) Give our agents and law enforcement personnel immediate access to the surveillance room when they request it; and
- (d) Ensure that surveillance room entrances are not easily observed from the gambling floor; and
- (e) Ensure that a surveillance employee is present in the surveillance room and monitoring activities, using the surveillance room equipment, any time the card room is conducting gambling and during the count process.

(2) House-banked card game licensees may operate the surveillance room without staff for routine breaks that are less than thirty minutes per shift.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-825 Closed circuit television system – House-banking.

Surveillance room.

(8) The licensee shall maintain one or more surveillance rooms with the following minimum requirements:

(a) The surveillance room shall have controlled access and be used solely by the employees of the surveillance department assigned to monitor activities:

Provided, That this restriction does not apply to owners or approved supervisory or management personnel.

(b) Commission agents and law enforcement personnel shall be provided immediate access to the surveillance room upon request.

(c) Entrances to surveillance rooms shall not be readily observable from the gaming operation area.

(d) The licensee shall ensure a surveillance employee is present in the surveillance room and monitoring the activities of the operation, via the surveillance room equipment, any time the card room is open to conduct gaming and during the count process: Provided, That the licensee may allow the surveillance room to operate without staff for a period not to exceed thirty minutes per shift for the purpose of routine breaks.

230-15-141 Camera and monitor requirements for closed circuit television systems.

(1) The closed circuit television (CCTV) system must consist of light sensitive cameras able to show card and chip values and the configuration of wagers. Each video camera must be capable of having its images displayed on a video monitor and recorded.

(2) House-banked card game licensees must include a sufficient number of video monitors in their CCTV system to simultaneously view multiple gambling tables, the cashier's cage, and count room activities.

(3) House-banked card game licensees must install cameras so that they prevent patrons or employees from readily obstructing, tampering with, or disabling them. House-banked card game licensees must place PTZ cameras behind a smoked dome, one-way mirror, or similar materials that conceal the camera from view. Installed cameras must cover the areas required by this rule, including, at least:

- (a) One fixed camera focused over each gambling table covering the entire layout; and
- (b) A sufficient number of fixed and/or pan, tilt, and zoom (PTZ) cameras programmed permanently to monitor players and dealers at each gambling table. The PTZ cameras must be capable of viewing each patron and dealer at each gambling position at least once every five minutes; and
- (c) A sufficient number of PTZ cameras to determine the wagers and card values, including card suits on suit-sensitive games, at each gambling table; and
- (d) A sufficient number of fixed and/or PTZ cameras in the cage(s); and
- (e) A sufficient number of fixed and/or PTZ cameras in the count room and any other location as deemed necessary by commission staff.

(4) Any time a winning wager, a jackpot, or bonus payouts greater than one thousand dollars is won, surveillance must use PTZ cameras to verify:

- (a) The winning hand; and
- (b) The amount of the wager; and
- (c) The amount of the payout; and
- (d) The player who won the prize;

(5) House-banked card game licensees must have documented procedures in their internal controls explaining how they will carry out verification of the win.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-825 Closed circuit television system – House-banking.

Video monitors.

(7) The CCTV system shall include a sufficient number of video monitors to simultaneously view multiple gaming tables, the cashier's cage, and count room activities.

WAC 230-40-825 Closed circuit television system – House-banking.

Camera requirements.

(2) The CCTV system shall consist of light sensitive cameras including those with pan, tilt, and zoom (PTZ) capabilities having the ability to determine card and chip values and the configuration of wagers at each gaming table. Each video camera shall be capable of having its images displayed on a video monitor and recorded. Cameras shall be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by patrons or employees. PTZ cameras shall be placed behind a smoked dome, one-way mirror or similar

materials that conceal the camera from view. Installed cameras shall cover the areas required by this rule and shall include at a minimum:

- (a) At least one fixed camera focused over each gaming table covering the entire layout;
- (b) A sufficient number of fixed and/or PTZ cameras permanently programmed for the purposes of monitoring players and dealers at each gaming table. The PTZ cameras must be capable of viewing each patron and dealer at each gaming position at least once every five minutes;
- (c) A sufficient number of PTZ cameras for the purpose of determining the configuration of wagers and card values at each gaming table. Any time a winning wager, including jackpot or bonus payouts in excess of one thousand dollars are won, surveillance shall utilize this camera to verify the winning hand, the amount of the wager, and the player who won the prize. Each licensee shall have documented procedures in their internal controls stipulating the manner in which this will be carried out;
- (d) A sufficient number of fixed and/or PTZ cameras in the cage(s);
- (e) A sufficient number of fixed and/or PTZ cameras in the count room; and
- (f) Any other location as deemed necessary by commission staff.

230-15-148 Keep surveillance activity logs.

House-banked card game licensees must keep a record of all gambling-related activities observed in the licensed premises. This log must be kept in the format we prescribe and kept by the surveillance department.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-825 Closed circuit television system – House-banking.**Surveillance activity log.**

(9) The licensee shall maintain a record of all surveillance activities in the surveillance room. A surveillance log shall be maintained by surveillance personnel and shall include, at a minimum, the following:

- (a) Date and time of surveillance;
- (b) Person initiating surveillance;
- (c) Time of termination of surveillance;
- (d) Summary of the results of the surveillance; and
- (e) A record of any equipment or camera malfunctions.

230-15-150 Keeping surveillance room access logs.

House-banked card game licensees must keep must keep a surveillance room sign-in log to document when someone enters and leaves the surveillance room. House-banked card game licensees must make the surveillance sign-in log available to us or law enforcement when requested.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-825 Closed circuit television system – House-banking.

Employee sign-in log.

(10) A surveillance room sign-in log shall be maintained to document the time each surveillance employee monitors the card room. The surveillance sign-in log shall be available for inspection at any time by commission staff or law enforcement personnel.

230-15-151 Retaining video and audio recordings.

- (1) House-banked card game licensees must label video and audio recordings to identify the activities recorded.
- (2) House-banked card game licensees must keep
 - (a) All recordings for seven gambling days, for example, Monday's gambling day recording may be recorded over on Tuesday of the following week; and
 - (b) Recordings documenting jackpot payouts over one thousand dollars for at least thirty days; and
 - (c) Recordings of evidentiary value for as long as we request.
- (3) We may increase these retention requirements by notifying house-banked card game licensees.

[Statutory Authority: RCW 9.46.070.]

WAC 230-40-825 Closed circuit television system – House-banking.**Labeling and storing video and audio recordings.**

- (11) Video and audio recordings shall be marked to denote the activity recorded and retained for a period necessary to afford commission staff or law enforcement personnel reasonable access. The following minimum retention periods apply to recordings:
- (a) Recordings shall be retained for a minimum of seven complete gaming days;
 - (b) Recordings of evidentiary value shall be maintained as requested by commission staff; and
 - (c) Tapes documenting jackpot payouts over one thousand dollars shall be retained for at least thirty days; and
 - (d) Commission staff may increase any of the retention requirements noted in this section by notifying the licensee.